

**DESIGN AND IMPLEMENTATION OF A WORK FORCE
ADJUSTMENT PROGRAM FOR PUBLIC SECTOR EMPLOYEES**

(TC-96-05-26-5)

EXECUTIVE SUMMARY

EXECUTING AGENCY: Office of the President of the Council of Ministers (PCM)

BENEFICIARIES: Employees displaced by the modernization process within the public service.

OBJECTIVES: The overall goal of the proposed operation is to contribute to the modernization of Peru's civil service. The specific objective is to assist the government in designing and implementing a service for relocating public sector employees affected by the modernization of the civil service, helping them either to find new employment or to start a small business of their own.

DESCRIPTION: The program will have three components: (a) design and implementation of a business information and job referral system; (b) design and implementation of employment training programs; and (c) design and implementation of a program to provide options for those wishing to start a business of their own.

FINANCING:

Modality:	Grant from the Human Resources Facility (Facility II)
Beneficiary:	US\$260,000
MIF:	US\$1,040,000
Total:	US\$1,300,000

EXECUTION AND DISBURSEMENT PERIODS: The execution and disbursement periods will be 9 and 12 months, respectively, reckoned from the date on which the letter of agreement is signed.

ENVIRONMENTAL CLASSIFICATION: The Environment Committee, at its meeting of July 2, 1996, classified this as a Category II operation.

SPECIAL CONTRACTUAL CONDITIONS:

1. In order to ensure proper execution of the program, the executing agency will be asked to submit the following for approval by the Bank as a condition precedent to the first disbursement:
 - a. Proof that it has hired the program coordinator to work with the PCM.

- b. A work schedule setting out the dates on which the consultants were hired and the detailed terms of reference for the consulting service to be provided, based on the activities set forth in this document.
- 2. To facilitate rapid execution of the program, the proposal also calls for creation of a revolving fund in an amount equivalent to 20 percent of the total resources contributed.

I. ELIGIBILITY OF THE COUNTRY FOR FUNDING

- 1.1 On December 14, 1993, the Donors Committee declared Peru eligible for all modalities of financing from the Multilateral Investment Fund (MIF).

II. BACKGROUND

A. General aspects

- 2.1 The Government of Peru has undertaken to modernize the country's public service as part of an ongoing restructuring process launched at the start of the 1990s. The aim of this modernization process is to ensure that public sector agencies can effectively carry out their law-making and regulatory duties on behalf of the state, fulfil their mandate to promote economic activities in the private sector, and at the same time serve as efficient service providers in areas such as health and basic education, essential infrastructure, law enforcement, national security and the administration of justice.
- 2.2 To do this will require redefining the role of the public sector agencies that make up the executive branch, including the resulting redistribution of duties and redeployment of resources. This, coupled with the need to reduce public spending and avoid increasing the current account deficit, will lead to a drop in the number of civil servants and changes in the composition, and the skills and abilities required of the civil service.
- 2.3 Large numbers of civil servants are expected to be affected by the process of modernizing Peru's public sector agencies, in addition to those already displaced under the privatization program being carried out with support from the MIF under ATN/MH-4906-PE. Accordingly, the government is undertaking to provide a program designed to assist with the transition by helping them either to find other employment or go into business for themselves.

B. Economic background

- 2.4 As a consequence of the structural reforms carried out by the government since the start of the decade, Peru's economy experienced vigorous investment-led growth between 1993 and 1995. During this three-year period, the country's gross domestic product (GDP) grew at an average of 8.4 percent per year – the highest growth rate recorded in Latin America and the Caribbean. In 1995, real GDP grew by 6.9 percent, led for the third consecutive year by capital expenditure which rose by 20 percent in real terms, compared to 1994. Although GDP growth was negative (-1.7 percent) for the first quarter of 1996, the annual rate will continue to

rise at a positive rate (3.4 percent). Meanwhile, inflation is being held in check: the cumulative rise for the first quarter of 1996 was 4.2 percent, and the annual inflation rate to March of 1996 was 11.6 percent. The balance of payment performance indicators have thus far been positive in 1996. In the first quarter, exports were up 8.1 percent compared to the same period in 1995 whereas imports were 2.4 percent lower. As a result, the current account deficit in the balance of payments has begun to fall, which will have a positive impact on expectations in international capital markets.

- 2.5 The second Expanded Facility Agreement with the International Monetary Fund for the period 1996-1998 establishes fiscal policy goals that are designed to encourage public savings. The economic performance of the consolidated public sector (excluding income from privatization) is expected to be close to producing a balanced budget by 1998. The primary fiscal surplus is forecast to increase from 0.3 percent of GDP in 1995, to 2 percent in 1998. The government is committed to achieving fiscal consolidation by taking action both to boost revenues and curb spending. On the revenue side, the emphasis will be on further strengthening tax administration and preventing tax evasion, and on the spending side, the effort will concentrate on tightening control over public expenditures. The Banco Central de Reserva del Perú (BCR) will continue to focus on controlling inflation by closely monitoring growth in the money supply and the expansion of credit in the private sector of the economy. In addition, the BCR will continue to apply its flexible exchange rate policy, intervening where necessary to smooth out short-term fluctuations in the exchange market.
- 2.6 Given the economic policy the government has been following, plus the future course it has charted with the blessings of the IMF, the way is clear for fruitful new negotiations with the Paris Club and the successful pursuit of its debt reduction and debt servicing program with the commercial banks in 1996.
- 2.7 Taking all of these factors into account, it is reasonable to expect that despite a slowdown in 1996, the rate of capital investment in strategic sectors of the economy will be maintained without serious interruption for the year as a whole. In this connection, it must be remembered that the privatization process has the potential to continue generating significant capital inflows, both through sale of major assets such as those of Petroperú, Centromin and others, and in the form of investments under commitments made by the private operators who purchased State-owned companies between 1992 and 1995.
- 2.8 Barring unforeseen circumstances, the above considerations point to GDP growth in the neighborhood of 3 percent in 1996, followed by a return to a more satisfactory rate of growth in 1997, with an inflation rate of approximately 11%.

- 2.9 The government's policy for the rest of the 1990s will center on: (i) continuation and expansion of structural reforms in the economic sector, including completion of the privatization process; (ii) continued fiscal austerity and adherence to a restrictive monetary policy aimed at reducing the current account deficit under the balance of payments; and (iii) modernization of the country's public service.

C. The labor market

- 2.10 During 1995, the unemployment and underemployment rates reached 10 percent and 77 percent, respectively. Despite these figures, the economic growth rate and a favorable mid- and long-term outlook point to a recovery in the level of employment in the formal sector, and the opening up of opportunities for self-employment either as a result of individual initiative or through the development of small and medium-sized businesses (SMBs).
- 2.11 The popularity of self-employment in Peru can be seen in the fact that the small and medium-sized businesses - which include all businesses with less than 10 employees - have grown rapidly over the past 20 years, with microenterprises accounting for an ever-increasing share of the economically active population (EAP). Whereas SMBs made up 33 percent of EAP in 1981, they now account for nearly 80 percent, or about 6.4 million individuals. Over 4 million of these (50 percent of the EAP) are grouped into 1.5 million small urban businesses and microenterprises. Peru's promising economic outlook should result in increased opportunities in this market for growth in certain productive sectors and economic activities, particularly in services.
- 2.12 It must be noted, however, that the creation of microenterprises is not a panacea for the problem of unemployment. The more so since in addition to regulatory obstacles and possible shortcomings in available capital and technology, it is also necessary to factor in the intrinsic ability of the individual to undertake entrepreneurial activities - an ability which may be even more limited in the case of officials from government agencies. On the other hand, many civil servants in fact already engage in other economic activities, either as self-employed workers or working for an SMB to eke out the low wages paid by the civil service. This group is well-placed for improving the independent activities that they are already carrying out.

D. Supply of training and technical assistance services

- 2.13 The potential supply of training and technical assistance services in Peru is sufficient to meet the needs of the proposed program. An illustration of this is the fact that a total of 246 institutions (121 in Lima; 45 in the northern region; 47 in the central region and 33 in the southern region of the country) were able to prequalify for training, technical assistance/consulting and

employment services under the Job Retraining Program for Workers Displaced in the Privatization Process, approved on March 14, 1995 (ATN/MH-4906-PE). These institutions (see list in Annex III) can supply the training needs under the present program.

E. Relationship of proposed operation to existing programs

- 2.14 Job Retraining Program for Workers Displaced in the Privatization Process (ATN/MH-4906-PE). The purpose of this program, currently in progress, is to provide training and technical assistance for some 10,000 workers displaced from companies undergoing privatization. The target population of this program is therefore different from that which will benefit under the proposed operation, since the latter will come from the civil service itself. The private agencies providing training services will be drawn from the same pool of institutions, however. The experience gained under program ATN/MH-4906 will be used in designing the proposed operation, particularly in planning its initial orientation, training, business counselling and follow-up services.
- 2.15 Youth Job Training Program (PE-0160). This project is in preparation at present - its Profile II Summary having been approved recently - and has as its objective to provide a minimum level of training and job experience for young people. This project will attempt to make use of the country's existing private training institutions. In this sense, there may be some competition for the services of these institutions owing to demand from this project, the program described in the foregoing paragraph, and the operation proposed in the present document. However, it should be noted that execution of program PE-0160 will be phased in over time, compared to the other two programs, and will thus profit from the experience gained by them.
- 2.16 Modernization Program for the Public Administration (PE-0138). This project is currently in preparation (with Profile I summary completed) and will cover a portion of the costs for modernization of the Peruvian public sector agencies whose employees will be helped by the operation proposed in the present document.

III. THE PROGRAM

A. Objective

- 3.1 The overall goal of the proposed operation is to contribute to the modernization of Peru's civil service.
- 3.2 The specific objective is to assist the government in designing, installing and implementing a relocation service for public sector employees affected by the modernization of the civil service,

helping them either to find new employment in the labor market or to start up a small business of their own.

- 3.3 In designing the support services proposed under this program, the following points must be borne in mind: (i) the individual initiative of displaced workers must be the driving force behind the program, aided by appropriate means for counselling, information and referrals; (ii) the mechanisms made available to displaced civil servants must be simple to use; (iii) the incentives and benefits offered must be open and transparent to public servants and the institutions providing the services alike; and (iv) the system must be both flexible and expeditious.

B. Description

- 3.4 To achieve the above objectives, the program will be divided into three components: (a) design and implementation of a business information and job referral system; (b) design and implementation of employment training programs; and (c) design and implementation of a program to provide options for those wishing to start a business of their own.

1. Design and implementation of a business information and job referral system

- 3.5 To carry out this component of the program, one or more specialized firms and/or independent consultants will be hired. The system must serve as an interface between the beneficiaries and the other two components of the program. As one of its functions, this system will operate through information centers that facilitate contact between the beneficiaries and the private training institutions or owners of businesses, and between job placement agencies and workers. Likewise, it will provide specific and up-to-date information on support services for SMBs that beneficiaries are interested in setting up.
- 3.6 Preparation of the business information and job referral system must include the overall design of a computerized data system. This system will be designed in close cooperation with the experts carrying out the other two components of the proposed operation, taking into account the development of these components, communications strategy and the design of a delivery mechanism aimed at serving the target group.
- 3.7 The design of the system must also bear in mind the pertinent fields for purposes of monitoring and evaluating the work force adjustment program for public sector employees. The indicators and other information pertaining to monitoring and evaluation will be designed by experts in this field.
- 3.8 Those designing the system will also consider the possibility of adapting information software packages available on the market to

the specific needs of the program, together with the possibility of connecting them to other existing systems. Furthermore, in designing the system, an attempt will be made to take maximum advantage of the experience gained from other systems in operation, such as that used by the Business Administration Graduate School (ESAN) under the Job Retraining Program (ATN/MH-4906-PE), or that used by the Business Information Center of the Development Finance Corporation (COFIDE).

- 3.9 In order to develop information on supply and demand in the labor market, the system will also incorporate data on the personnel requirements of companies seeking new staff, including job descriptions for the positions available with them.

2. Design and implementation of employment training programs

- 3.10 To carry out this component of the program, one or more specialized firms and/or independent consultants will be hired to carry out the following activities: (a) design and preparation of general counselling material on existing employment possibilities and how to become more familiar with these options; (b) identification and selection of private institutions providing technical training services; (c) establishment of criteria that these institutions will use to provide these services to the target population, and preparation of the corresponding agreements governing duration of courses, maximum cost, etc.; (d) preparation of guidelines for workers in search of new employment; (e) specifications for participation by private job placement agencies; (f) designing of forms to describe the characteristics of participants; (g) payment mechanisms; and (h) indicators for use in follow-up programs.

- 3.11 In addition, the program will include designing and carrying out initial counselling sessions which will include a clear description of employment prospects in the labor market, employment trends, types of employment contracts, etc., along with the obligations and responsibilities inherent in existing opportunities. These sessions will also serve to familiarize the target group with the options that will be available to them.

3. Design and implementation of a program to provide options for those wishing to start a business of their own

- 3.12 To carry out this component of the program, one or more specialized firms and/or independent consultants will be hired to carry out the following activities: (a) design and preparation of general counselling material on existing options for self-employment and how to obtain further information on these options; (b) identification and selection of private institutions that provide business services and assist individuals wishing to start a business of their own; (c) preparation of criteria for these institutions to use in providing these services to the target population, and in preparing the necessary draft agreements under

which these services will be provided for public sector workers; (d) identification of existing sources of funds available in the formal lending market, and requirements for obtaining loans; (e) design of forms describing the characteristics of participants; (f) preparation of resumes for would-be entrepreneurs or self-employed individuals; (g) payment mechanisms; and (h) indicators for follow-up.

C. Costs and financing

- 3.13 The total cost of the program will be US\$1.3 million, of which the MIF will contribute US\$1,040,000 while the remaining US\$260,000 will be provided by the Government of Peru in the form of local counterpart funding, as shown in the following table. Annex II contains a detailed breakdown of the budget for each component of the program.

(In US\$000s)

Component	Bank	Local Counterpart	TOTAL
Design and implementation of a business information and job referral system	519.0	157.4	676.4
Design and implementation of employment training programs	246.0	51.3	297.3
Design and implementation of a program to provide options for those wishing to start a business of their own	246.0	51.3	297.3
Contingencies	29.0	-	29.0
TOTAL	1,040.0	260.0	1,300.0

D. Execution

- 3.14 The Office of the President of the Council of Ministers (PCM) will have primary responsibility for program execution. Using its own resources, the PCM will hire a coordinator for the program prior to its start-up. To carry out the program itself, the PCM will hire private institutions and/or independent consultants with experience in programs for helping people back into the work force and in designing information systems. In contracting for these services, the current procedures of the Bank and the MIF will be used.
- 3.15 The execution period will be nine months, beginning on the date that the letter of agreement is signed.

E. Disbursements

- 3.16 The utilization of project resources will be in accordance with the Bank's procedures. The disbursement period will be 12 months, beginning on the date that the letter of agreement is signed.
- 3.17 To ensure proper execution of the program, the executing agency will be required to submit the following as a condition precedent to the first disbursement and for the Bank's approval:
- a. Proof that the PCM has hired a coordinator for the program, according to the terms of reference approved by the Bank.
 - b. A work schedule setting out contract dates and detailed terms of reference for the work to be carried out by each consultant, based on the activities and desired results specified in this document.
- 3.18 To expedite execution of the program, the proposal includes establishment of a revolving fund equivalent to 20 percent of the resources contributed.

F. Monitoring and evaluation

- 3.19 **Monitoring of the proposed operation.** The Bank will meet regularly with the PCM and the specialized consultants for purposes of monitoring, at which times it will verify the program schedule and compliance with the terms of reference for the tasks to be carried out.
- 3.20 **Monitoring implementation of the work force adjustment program for public sector employees.** Using resources provided under the proposed technical-cooperation funding, a mechanism for monitoring the work force adjustment program will be incorporated into the business information and job referral information system. The indicators developed for purposes of monitoring and evaluation will be submitted for the Bank's approval before they are incorporated into the business information and job referral information system.

G. Reports

- 3.21 The PCM will prepare monthly reports citing the progress achieved in the modernization process, as well as in carrying out the proposed operation. These reports will be discussed at the regular meetings referred to in paragraph 3.19 above.

H. Future utilization of the information system

- 3.22 Upon completion of the work force adjustment program for public sector employees, it will be necessary to determine the use to which the business information and job referral information system

will be put in future. For this purpose and within a period of six months following the first disbursement, the Bank and the PCM will reach agreement on the future use and maintenance of the information system by both the public sector (e.g., Ministry of Labor) and the private sector (e.g., business information centers).

IV. FEASIBILITY, BENEFITS AND RISKS

- 4.1 The feasibility of the program is assured in view of the political will demonstrated by the Government of Peru to reform the country's public service. To accomplish this, the government is revamping its administrative systems throughout the civil service, including in the areas of financial administration, personnel management, procurement and contracts, and control systems. At the same time, it is beginning to plan for modernization of the various sectors within its public service, and to draw up schedules for their restructuring. Finally, the government has indicated its willingness to allocate substantial resources for carrying out the work force adjustment program for public sector employees.
- 4.2 The benefits to be derived from the proposed operation will include: (i) the business information and job referral information system which will continue to benefit Peru beyond its immediate use by displaced public sector employees, subject to an agreement to be worked out between the Bank and the PCM during the execution of the proposed operation; and (ii) the strengthening of Peru's private training and business assistance services as a result of the increase and diversification of demand for same.
- 4.3 The main risk associated with this operation is the possibility that the design and implementation of the activities envisaged might not be duly synchronized with the initial displacement of public sector employees, and that the target group might disperse before it can be provided with the services described here. The government is aware of the importance of proper synchronization and is taking the necessary steps to coordinate the respective activities so as to eliminate this risk.
- 4.4 Another risk inherent in this operation is that its design might include deficiencies that result in under-utilization of the services offered in the work force adjustment program for public sector employees, particularly in view of the limited time available for their correction. To minimize this risk, the work of the consultants hired to carry out the respective program design will be closely monitored by the Bank and the PCM.

V. COMPLIANCE WITH PROJECT ELIGIBILITY CRITERIA

A. General criteria for project eligibility

- 5.1 The proposed technical-cooperation program is consistent with the Agreement Establishing the Multilateral Investment Fund, and in particular with Article I, subsection (iii), to "provide financing that will enable member countries to prepare human resources for increased private sector participation".

B. Criteria for project eligibility under Facility II (Human Resources Facility)

- 5.2 The proposed operation meets the criteria for financing under the Human Resources Facility, which includes among its objectives that of granting funds for developing the basic human resources needed for expanding investment in the private sector. This project will assist displaced civil servants in either finding employment or creating small businesses of their own in the private sector.

VI. DEGREE OF CONFORMITY WITH THE BANK'S COUNTRY POLICY

- 6.1 The Bank's strategy in Peru is to provide support through loan operations and technical-cooperation funding in four priority areas: (i) poverty reduction and restructuring of the social sectors; (ii) modernization of State institutions and consolidation of structural reforms; (iii) restoration and expansion of infrastructure, especially in transportation and energy; and (iv) protection of natural resources and the environment. The projects proposed here are fully consistent with this strategy, particularly with point (ii) for which the Bank has also included a program for modernization of the Executive Branch (PE-0138) under its 1996-1998 operating program for Peru.

VII. AVAILABILITY OF MIF RESOURCES

- 7.1 **Modality of funding.** The projects will receive financing in the form of a grant based on the following considerations: (i) on December 14, 1993, the Donors Committee declared Peru eligible for all modalities of financing from the MIF; (ii) the agreement with Peru setting out the eligibility criteria for obtaining nonreimbursable resources (Article 3, Section 5(b), of the Agreement Establishing the MIF) is set out in detail in section III of the Country Eligibility Memorandum; and (iii) the proposed project will have an important catalyzing effect on the flow of investment funds, in accordance with Article 3, Section 5(a), of the Agreement

Establishing the MIF. The validity of these criteria was confirmed at a meeting of the Donors Committee on March 30, 1994 (MIF/GN-23).

- 7.2 **Provision of MIF resources.** None of the restrictions on the provision of MIF resources applies to Peru or to these specific projects.

**PERU: DESIGN AND IMPLEMENTATION OF A WORK FORCE ADJUSTMENT
PROGRAM FOR PUBLIC SECTOR EMPLOYEES (TC-96-05-26-5)**

DETAILED BUDGET (US\$000s)

ITEM	BANK	LOCAL CONTRIBUTION	TOTAL
I. Information and referral system			
1. Entity specializing in the design and installation of information and referral systems (overhead = 80%)	72.0		72.0
1.1 Computer and systems experts (12 months/\$5,000/month)	60.0		60.0
1.1 Expert in organization of info. centers (6 months/\$5,000/month)	30.0		30.0
1.5 Travel and per diems	34.0		34.0
1. Entity specializing in communications strategy	35.0		35.0
2. Individual consultants			
2.1 General coordinator of the program (12 months/\$7,000/month)		84.0	84.0
2.1 Administrative assistant (12 months/\$1,500/month)	18.0		18.0
2.5 Travel and per diems	30.0		30.0
6. Logistical support			
6.1 Offices		19.2	19.2
6.2 Furniture and fixtures		7.4	7.4
6.3 Computer systems (hardware and software)	100.0		100.0
6.6 Support staff		10.8	10.8
6.9 Other		6.0	6.0
7. Publications and teaching supplies	30.0	30.0	60.0
8. Evaluation and monitoring			
8.2 Evaluations (2/\$40,000/evaluation)	80.0		80.0
8.2 Monitoring	30.0		30.0
SUBTOTAL I	519.0	157.4	676.4
II. Job placement for displaced employees			
1. Entity specializing in the design and installation of job placement services (overhead = 80%)	72.0		72.0
1.1 Expert on labor markets (6 months/\$5,000/month)	30.0		30.0
1.1 Expert on employment skills (12 months/\$5,000/month)	60.0		60.0
1.5 Travel and per diems	34.0		34.0

ANNEX I

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ITEM	BANK	LOCAL CONTRIBUTION	TOTAL
3. Events		30.0	30.0
7. Publications and teaching supplies		21.3	21.3
8. Fund for enhancing the supply of training and job placement services	50.0		50.0
SUBTOTAL II	246.0	51.3	297.3
III. Providing options for those wishing to start a business of their own			
1. Entity specializing in the design and installation of support services for SMBs (Overhead = 80%)	72.0		72.0
1.1 Expert on the financing of SMBs (6 months/\$5,000/month)	30.0		30.0
1.1 Expert on business services (6 months/\$5,000/month)	30.0		30.0
1.1 Expert on business training (6 months/\$5,000/month)	30.0		30.0
1.5 Travel and per diems	34.0		34.0
3. Participants			
3.9 Events		30.0	30.0
7. Publications and teaching supplies		21.3	21.3
8. Fund for enhancing the supply of business services	50.0		50.0
SUBTOTAL III	246.0	51.3	297.3
98. Contingencies	29.0		29.0
TOTAL	1,040.0	260.0	1,300.0

**PERU: DESIGN AND IMPLEMENTATION OF A WORK FORCE ADJUSTMENT
PROGRAM FOR PUBLIC SECTOR EMPLOYEES (TC-96-05-26-5)**

LOGICAL FRAMEWORK

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Contribute to the modernization of the public service in Peru.	Have implemented plans for restructuring in most public service sectors, including determination of personnel needs.	Written reports from the PCM to the Bank on the status of the modernization process.	<ul style="list-style-type: none"> - That the working groups for restructuring of each sector have been formed. - That the strategic plan for the private sector has been developed.
Design and implement a job placement service to help workers displaced by the program to modernize Peru's civil service find new positions in the private sector.	<ul style="list-style-type: none"> - Have the support service in operation when the displacement of public sector workers begins. - Have provided services for at least 100 workers. 	<ul style="list-style-type: none"> - Visual inspection and interviews carried out by the Bank (members of the project team). - Monthly reports submitted to the Bank by the PCM. - Frequent working meetings with the PCM and specialized firms and consultants working on the program. 	That the decisions made by the government with respect to the displacement of workers and the development of the proposed operation have been duly synchronized.
<ol style="list-style-type: none"> 1. Design and implement a business information and job referral service. 2. Design and implement a job training program. 3. Design and implement a program to provide options for those wishing to start a business of their own. 	Have the business information and job referral service in operation, along with job training and business support services.	Inspection visits by the Bank and PCM to the sites in which the information and job placement services are being offered, as well as to job training and business support services.	<ul style="list-style-type: none"> - That the government offer additional incentives to encourage beneficiaries to utilize the services. - That the positive outlook for employment and business development continues through the execution period of the work adjustment program for public sector employees.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>1. Contracting of consulting services (specialized firms & experts) to carry out the following activities:</p> <p><u>Component 1</u> Design the computerized business information and job referral system.</p> <p><u>Component 2</u></p> <ul style="list-style-type: none"> a. design and preparation of general counselling material and introductory sessions; b. identification and selection of private institutions providing technical training services; c. preparation of criteria under which these institutions are to provide these services to the beneficiaries, and preparation of the necessary agreements for this purpose; d. preparation of guidelines for workers in search of new employment; e. specifications for participation by private job training agencies; f. design of forms to describe the characteristics of participants; g. establishment of payment mechanisms; and h. preparation of indicators for follow-up. <p><u>Component 3</u></p> <ul style="list-style-type: none"> a. design and preparation of general counselling material and introductory sessions; b. identification and selection of private institutions that provide business services and assist individuals wishing to start a business of their own; (c) preparation of criteria for use by these institutions in providing these services to the target population, and in preparing the necessary draft agreements under which these services will be provided for public sector workers; d. identification of existing sources of funds available in the formal lending market, and requirements for obtaining loans; e. designing of forms describing the characteristics of participants; f. preparation of resumes for would-be entrepreneurs or self-employed individuals; g. establishment of mechanisms for the payment of workers and entities providing these services; h. indicators for use in follow-up; and i. inclusion of data indicated in above paragraphs in the business information and job referral system. 	<p>That the PCM has hired the specialized firms and/or individual consultants in accordance with the respective terms of reference.</p>	<p>That the PCM has verified disbursements and progress reports by means of inspection visits and information relating to fulfillment of conditions precedent to the first disbursement.</p>	<p>That specialized firms and consultants qualified to carry out program tasks are available at required times.</p>

PROPOSED RESOLUTION

PERU. NONREIMBURSABLE TECHNICAL COOPERATION FOR THE DESIGN
AND IMPLEMENTATION OF A PROGRAM WITH ALTERNATIVES
TO ATTEND PUBLIC SECTOR EMPLOYEES

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Republica del Peru and to take such additional measures as may be pertinent for the execution of the proposal memorandum referred to in Document MIF/AT- with respect to a technical cooperation for the design and implementation of a program with alternatives to attend public sector employees.

2. That up to the amount of US\$1,040,000, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the resources of the Human Resources Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.