

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PERU

**INVESTMENT PROGRAM: IMPROVEMENT OF THE QUALITY OF HIGHER AND
TECHNICAL-PRODUCTIVE EDUCATION SERVICES AT THE NATIONAL LEVEL**

(PE-L1268)

LOAN PROPOSAL

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4.	Procurement plan
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13.	Gender and diversity
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ABBREVIATIONS

CETPRO	Centro de educación técnico-productiva [technical-productive education center]
CGR	Contraloría General de la República [Office of the Comptroller General of the Republic]
DIFOID	Dirección de Formación Inicial Docente [Directorate of Initial Teacher Training]
DIGESU	Dirección General de Educación Superior Universitaria [General Directorate of University Higher Education]
DIGESUTPA	Dirección General de Educación Técnico-Productiva y Superior Tecnológica y Artística [General Directorate of Technological and Artistic Higher and Technical-Productive Education]
DNI	Documento nacional de identidad [national identity document]
EDU	Education Division
ESAP	Environmental and social action plan
ESFA	Escuela superior de formación artística [art college]
ESMS	Environmental and social management system
ESPS	Environmental and Social Performance Standards
ESTP	Educación superior y técnico productiva [higher and technical-productive education]
ESU	Educación superior universitaria [university higher education]
GESA	Global environmental and social assessment
ICAP	Institutional Capacity Analysis Platform
ICB	International competitive bidding
IESP	Instituto de educación superior pedagógica [teacher training higher education institute]
IENT	Instituto de educación superior tecnológica [technological higher education institute]
IESU	Instituto de educación superior universitario [university higher education institute]
MEF	Ministry of Economy and Finance
MINEDU	Ministry of Education
MNCP	Marco Nacional de Cualificaciones del Perú [Peru's National Qualifications Framework]
NCB	National competitive bidding
PMESUT	Programa para la Mejora de la Calidad y Pertinencia de los Servicios de Educación Superior Universitaria y Tecnológica [Program to Improve the Quality and Relevance of University and Technological Higher Education Services]
PNESTP	Política Nacional de Educación Superior y Técnico-Productiva [National Policy on Higher and Technical-Productive Education]
QCBS	Quality- and cost-based selection
RENACYT	Registro Nacional Científico, Tecnológico y de Innovación Tecnológica [National Registry of Science, Technology, and Technological Innovation]

SEACE	Sistema Electrónico de Adquisiciones y Contrataciones del Estado [Electronic Government Procurement and Contracting System]
SIAF	Sistema Integrado de Administración Financiera [Integrated Financial Administration System]
SIGED	Sistema de información y gestión educativa [educational information and management system]
SUNEDU	Superintendencia Nacional de Educación Superior Universitaria [National Superintendency of University Higher Education]
TBD	To be determined
UE-118	Unidad Ejecutora 118 [Execution Unit 118], "Improvement of the Quality of Basic and Higher Education"

PROJECT SUMMARY

PERU

INVESTMENT PROGRAM: IMPROVEMENT OF THE QUALITY OF HIGHER AND TECHNICAL-PRODUCTIVE EDUCATION SERVICES AT THE NATIONAL LEVEL (PE-L1268)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility ^(a)	
Republic of Peru			Amortization period:	24.5 years
Executing agency:			Disbursement period:	5 years
Ministry of Education			Grace period:	6 years ^(b)
Source	Amount (US\$)	%	Interest rate:	SOFR-based
IDB (Ordinary Capital):	100 million	83.3	Credit fee:	^(c)
			Inspection and supervision fee:	^(c)
Local:	20 million	16.7	Weighted average life:	15.25 years
Total:	120 million	100.0	Currency of approval:	United States dollars
Project at a Glance				
Project objective/description: The general objective of this operation is to ensure that students in higher and technical-productive education (ESTP) receive a quality education. The specific objectives are: (i) to improve the management capacity of the Ministry of Education (MINEDU) directorates responsible for ESTP, so that they provide adequate institutional core services; and (ii) to achieve adequate installed capacity at the producing units that deliver ESTP services.				
Special contractual conditions precedent to the first disbursement of the financing: The executing agency will provide evidence, to the Bank's satisfaction, that the following conditions have been met: (i) the supreme decree has been published, extending the functions of Execution Unit 118 (UE-118) to make it responsible for execution of this program; (ii) the program Operations Manual has been approved on the terms and conditions previously agreed upon with the Bank; and (iii) UE-118 has engaged the following key staff, based on the job descriptions and requirements in the program Operations Manual: an executive director, a chief of planning and budget, a chief of administration, a procurement specialist, an accounting specialist, a socioenvironmental specialist, and a treasury specialist (see paragraph 3.5).				
Special contractual conditions of execution: Prior to the start of each infrastructure project under program Component 2: (i) the executing agency will sign interagency agreements with the beneficiary entities, as necessary to establish the terms and conditions for transfer and maintenance; (ii) prior to issuing the start order for works, the executing agency will provide evidence that it has legal possession of the property where the respective work will be built, as well as easements or other pertinent rights for its construction and use, and has contracted for supervision of the work; and (iii) the executing agency must satisfy the environmental and social requirements established in Annex B of the environmental and social review summary (see paragraph 3.6).				
Exceptions to Bank policy: None.				
Strategic Alignment				
Challenges: ^(d)	SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>	
Crosscutting themes: ^(e)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>	

- (a) Under the terms of the Flexible Financing Facility (document FN-655-1), the borrower has the option of requesting changes to the amortization schedule, as well as currency, interest rate, commodity, and catastrophe protection conversions. The Bank will take operational and risk management considerations into account when reviewing such requests.
- (b) Under the flexible repayment options of the Flexible Financing Facility, changes to the grace period are permitted provided that they do not entail any extension of the original weighted average life of the loan or the last payment date as documented in the loan contract.
- (c) The 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 applicable policies.
- (d) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).
- (e) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 In the past 20 years, Peru has achieved an average economic growth rate of 4.72% [1].¹ This, supported by prudent macroeconomic policy and the adoption of targeted social policies, enabled it to reduce income poverty from 37.3% in 2008 to 25.9% in 2021 [2], down 4.2 percentage points from 2020 but still up from prepandemic levels [3]. In this context, and in line with the trend seen across Latin America and the Caribbean, in Peru attendance at institutions offering [higher and technical-productive education](#) (known by its Spanish-language acronym, ESTP) has grown substantially from 1,412,837 students in 2010 to 1,821,491 in 2021 [4][5][5]. These institutions include universities, technological higher education institutes (IESTs), teacher training higher education institutes (IESPs),² art colleges (ESFAs), and technical-productive education centers (CETPROs).
- 1.2 Despite improved access, higher and technical-productive education faces quality problems affecting students' educational pathways and their entry into the labor market. The cumulative dropout rate in university education climbed in the past five years from 17.4% in 2017 to 23.2% in 2021 [6]; and 30.6% of students graduated on time during that period [7]. For nonuniversity education, the 2017 dropout rate of 44.1% had risen to 48.6% by 2021 [8]. This is partly explained by the academic unreadiness of high school graduates and the low or inappropriate selectivity of some institutions. According to the results of the 2018 Programme for International Student Assessment (PISA) test, over two thirds of high school students from low socioeconomic backgrounds are below level two in reading and mathematics [9]. This means that over half of students do not have the minimum level of reading and math skills, making it hard for them to perform in higher and technical-productive education. The deficit is greater among students of indigenous ethnicity. The 2018 census evaluation of students revealed that 36% of students whose first language is Spanish have satisfactory language skills, compared to just 16% whose mother-tongue is an indigenous language. In terms of admission systems, a study by the Ministry of Education (MINEDU) [10] shows that many higher and technical-productive education institutions have admission tests that are designed by the institutions themselves, so there is no guarantee that the tests fit a relevant entrance profile.
- 1.3 In 2021, 16.8% of persons with a university education and 38.1% of graduates from nonuniversity higher education were underemployed [11]. In addition, labor informality in university education was 32.7% in 2021 [12], and 47% of firms reported difficulty in finding candidates with the minimum skills required [13]. The vast majority teacher training institute graduates are unable to enter the [public teaching career](#) because they fail the National Unified Test.
- 1.4 This state of affairs exists despite the country's endeavors to improve quality assurance mechanisms in higher and technical-productive education. These include passage of the University Law in 2014 [14] and the Law on Higher Education Institutes and Schools in 2016 [15], and the creation in 2017 of the "technological

¹ Optional link 1 contains the bibliographic references identified in the text by the numbers in parentheses [#].

² Including the School of Pedagogical Higher Education.

higher education service of excellence” model, which provides guidelines for a higher and technical-productive education institution to become an “institute of excellence” (IDEX) [16]. Other measures include the 2018 launch of the Program to Improve the Quality and Relevance of University and Technological Higher Education Services (PMESUT) (loan 4555/OC-PE); the August 2020 promulgation of the National Policy on Higher and Technical-Productive Education (PNESTP) [17], to expand access and improve the quality and relevance of all higher and technical-productive education alternatives; the 2021 creation of Peru’s National Qualifications Framework (MNCP), to develop, classify, and recognize the skills and competencies of individuals [18]; and the 2021 promulgation of the Law on the Organization and Functions of the Ministry of Education [19], to modernize and restructure the ministry.

- 1.5 The PNESTP includes a detailed diagnostic assessment of the causes of the low quality of higher and technical-productive education,³ identifying the issues described in the following paragraphs, and others.
- 1.6 Weak management capacity at MINEDU⁴ means it is unable to provide adequate core services⁵ to higher and technical-productive education institutions. A study of more than 300 universities reveals the importance of public policy for the quality of higher education. Indeed, the institutions themselves regard the requirements of national quality assurance systems and the qualification frameworks established by governments as important for improving institutional quality [20]. Furthermore, by providing better services and contributing to improvement of the institutions’ own management, MINEDU also improves the quality of scholarship and research and innovation, since evidence shows the positive impact of clear incentive systems and good management practices on university performance [21].
- 1.7 MINEDU’s limited management capacity for the delivery of adequate core services to higher and technical-productive education institutions is seen mainly in four areas.
- 1.8 Firstly, there is limited capacity to protect students’ educational pathways because MINEDU has not designed or promoted programs to attract high school students and thus increase and facilitate their entry into higher and technical-productive education, nor does it have a methodology for identifying students at risk of dropout or any remedial programs to support them. A 2021 MINEDU survey [22] revealed that 21 of 44 public universities have systems to identify students at academic risk; but how this information is used is unclear. Student attraction, leveling, and support programs are important. Evidence shows that providing timely information to high school students can steer them to apply for courses of study that yield a higher return

³ See Figure 3, ESTP problem tree, in the National Policy on Higher and Technical-Productive Education (PNESTP).

⁴ Specifically in the following directorates responsible for higher and technical-productive education: the Directorate of Initial Teacher Training (DIFOID), the General Directorate of University Higher Education (DIGESU), and the General Directorate of Technological and Artistic Higher and Technical-Productive Education (DIGESUTPA).

⁵ The term “core services,” means the DIFOID, DIGESU and DIGESUTPA management actions at the higher and technical-productive education institutions, to support them in delivering quality education services. This includes actions to protect students’ educational pathways, promote research and innovation, provide quality assurance for educational offerings, and manage information for correct monitoring of the institutions.

- [23], and using behavioral economics techniques could motivate them to apply, for example, to teacher training courses [24]. Moreover, providing academic support to students significantly influences satisfaction with the educational environment and, in turn, affects students' intentions to stay and complete their studies [25].
- 1.9 Secondly, MINEDU does little to promote the development of research and innovation at higher and technical-productive education institutions, which helps to explain the country's low level of scientific output. Articles published by Peruvians in indexed journals remain few,⁶ partly because investment is sparse,⁷ but also because there are few research and innovation professionals working in interdisciplinary groups. This also affects the allocation of resources since researchers play a major role in generating and attracting funding for these purposes.
- 1.10 Thirdly, MINEDU has few instruments and little capability to guarantee the quality of educational offerings. For example, it lacks methodologies, strategies, or guidelines for optimizing educational offerings in Peru, which would help ensure the relevance of the training programs (including teacher training programs in [bilingual intercultural education](#)). In the case of the teacher training higher education institutes (IESPs), MINEDU only has reference guidelines on how to conduct the optimization process; this is reflected in the fact that no regional government has plans to optimize educational offerings. There is also a need for capacity-building of licensing entities and the institutions applying for licenses. Although Peru has launched a licensing process to accredit the basic quality conditions of IESTs and IESPs, the process has been slow; only 3% of public IESTs and 26% of public IESPs are licensed. Although the Peruvian government approved the MNCP in July 2021, there are no qualification-based training programs. Moreover, few IESTs have succeeded in taking the first step (development of an improvement plan) toward gaining recognition as an institute of excellence.
- 1.11 Fourthly, information on the performance of the higher and technical-productive education is insufficient and dispersed. Educational information and management systems (SIGED) are the suite of processes for recording, analyzing, generating, and disseminating strategic information online, embedded within a well-defined legal, institutional, and technological infrastructure, making it possible to manage resources in comprehensively and efficiently [28]. Unfortunately, MINEDU does not have an adequate SIGED for higher and technical-productive education, so it lacks the information and data needed to efficiently support public policy implementation or to track student learning and/or monitor the progress and challenges of institutions. The reality is that MINEDU has 16 noninterconnected information systems, and in some cases the information is scarce [29]. There are no information systems for technical-productive education centers (CETPROs) or art colleges (ESFAs).

⁶ Countries with consolidated higher and technical-productive education systems have high publication rates. Germany has 2,097 publications in scientific journals per million inhabitants, and Australia, 4,109; in contrast, Peru has 164 (Source: Prepared by the authors using Scopus and population data, 2020). There is also evidence that research-oriented institutions provide the best-quality teaching [26].

⁷ Expenditure on research and innovation represented 16% of GDP in 2019, only slightly above Paraguay (13%) and well below countries such as Colombia (32%), Chile (34%), and Argentina (46%) [27].

- 1.12 The weak installed capacity at educational institutions in terms of infrastructure and equipment also affects the quality of higher and technical-productive education courses. The literature highlights the role of infrastructure and equipment in promoting learning [30], since a pleasant environment, provided by high-quality infrastructure, generates feelings of well-being that promote a better attitude, both among students for learning and among teachers for teaching [31][32]. In addition, quality assurance systems generally take infrastructure conditions into account when licensing institutions [33]. Yet more than 50% of public universities in Peru require intervention to upgrade their basic services such as water, sanitation, and electricity; those that have such services have not necessarily adopted efficiency measures to help mitigate the impacts of climate change. In addition, 29% of university classrooms do not have adequate furniture, and more than 75% do not have a computer and/or projector [34]. In the case of IESTs, only 39% have an innovation space (e.g., a FabLab); many such spaces do not comply with capacity limitations; and only 35% of classrooms nationwide [35] comply with the occupancy ratio established by law [36]. The lack of furniture, coupled with poor digital skills among teachers and students alike [37], results in limited use of technology for learning at these institutions.
- 1.13 **Gender and diversity considerations.**⁸ Teacher training higher education faces special challenges in attracting students. MINEDU expects fewer than five teachers to graduate between 2022 and 2026 with bilingual intercultural education training in such languages as Achuar, Yaminahua, Yanasha, YineEja, Haramkbut, Huambisa, Wampis, and Sharanahua. Moreover, nearly 54% of bilingual intercultural education schools do not have teachers who speak the same language as the students, highlighting the shortage of bilingual intercultural education teacher training programs [38].
- 1.14 Studies in the region show that indigenous students have less opportunity to access higher and technical-productive education [39]. Between 2013 and 2021, 42 of the 47 licensed public universities in Peru had students from a bilingual intercultural education school on their enrollment. These students represented just 3.7% of the total enrollment in public universities [40].
- 1.15 In 2021, only 29.7% of university professors were women, and in 2022 only 32% of the 7,873 researchers in the National Registry of Science, Technology and Technological Innovation (RENACYT) are women [41]. There is also a gender gap between the application process and actual university entrance: although more women apply, more than 54% of the entrants are men.
- 1.16 **Climate change considerations.** Higher and technical-productive education plays an essential role in the development of green industries and care for the environment, so it should be geared towards developing green skills, which will enable the country to transition to a sustainable and low-carbon economy. Academic training can also encourage individuals to move towards more sustainable behavior patterns; and the construction and upgrading of ESTP infrastructure should include sustainability criteria such as energy and water efficiency and the use of durable materials with low maintenance costs.

⁸ For further details, see optional link 13.

- 1.17 **Rationale.** The Government of Peru has requested a loan from the Bank to ensure that students in higher and technical-productive education receive a quality education. This operation complements the Program to Improve the Quality and Relevance of University and Technological Higher Education Services (PMESUT) (loan 4555/OC-PE),⁹ which since 2018 has been supporting the strengthening of public universities and IESTs, to ensure that students have access to institutions that provide adequate, relevant, and quality educational services. Program 4555/OC-PE has financed studies that enabled MINEDU to approve the MNCP, for example. In addition, the academic, administrative, and research and innovation management capacities of universities and IESTs have been strengthened through competitive funds, and work is being done to upgrade infrastructure and equipment at nine institutions. This operation will encompass all higher and technical-productive education alternatives with a focus on improving the institutional core services of the MINEDU directorates responsible for ESTP at the national level and will continue improving the installed capacity of prioritized institutions.
- 1.18 **Lessons learned.** The design and execution of this program will draw on lessons learned from PMESUT (loan 4555/OC-PE), principally the following: (i) when conducting training activities, keep in mind that some teachers may lack motivation. The training activities in this program should include motivational elements, to highlight the importance of onboarding new pedagogical practices; (ii) to make sure investment in infrastructure and equipment is sustainable, build capacity at higher and technical-productive education institutions through training, to ensure that they know how to perform maintenance (included in Component 2 of this program); (iii) the beneficiary higher and technical-productive education institutions, as well as the regional governments, local education management units, and MINEDU staff all need to be committed to the program objective. A communication strategy therefore should be implemented with the beneficiaries before and during each intervention, and will be included in the program Operations Manual; and (iv) introduce a crosscutting line of managing the knowledge gained and gleaning and disseminating lessons learned at the executing agency, to then institutionalize them in MINEDU. This will be included as a function in the program Operations Manual. For further details, see [optional link 5](#).
- 1.19 **The Bank's experience.** The Bank will contribute know-how in the development of higher and technical-productive education policy, which has been fundamental for the design of this operation. Operation ATN/OC-16325-PE¹⁰ supported the design of the PNESTP, and operation ATN/OC-18903-PE¹¹ is supporting the design of programs for its implementation. Loan 5267/OC-PE¹² also supported the design of policies to improve access to higher and technical-productive education during the COVID-19 pandemic, and loan 4555/OC-PE is supporting the strengthening of public universities and IESTs. Additionally, several Bank studies have identified the main access barriers to higher and technical-productive education in Latin America and the Caribbean and have identified best practices for closing those gaps [\[42\]\[43\]](#).

⁹ Loan, 2018, US\$200 million total (IDB contribution US\$75 million).

¹⁰ Technical cooperation for operational support, 2017, US\$500,000.

¹¹ Technical cooperation for client support, 2021, US\$150,000.

¹² Loan, 2021, US\$600 million.

As part of the Sector Economic Study (operation RG-E1675), support was provided to identify the barriers faced by vulnerable students in accessing higher and technical-productive education in Peru, and propose actions to overcome them, such as providing information on returns, scholarships, and application processes. Operation ATN/OC-19530-RG¹³ has begun to study the financial support system for higher education in the region. Through IDB Lab projects, the Bank has experience in programs promoting research and innovation at universities, to prime the national innovation ecosystem and spur new ventures and job creation (operation ATN/ME-19002-BH).¹⁴ The regional program ATN/ME-16116-RG,¹⁵ which includes Peru, yields experience on how to attract women into the fields of science, technology, engineering, and mathematics (STEM) and promote participation by women researchers in innovation projects with entrepreneurial potential. In addition, the IDB Invest project in Peru helped Universidad San Ignacio de Loyola expand access with quality by supporting investments in infrastructure (including “green buildings”), equipment, and research facilities, as well as deploy an international accreditation process (loans 2915/CA-PE and 2915A/OC-PE).¹⁶

- 1.20 Lastly, the Bank generated knowledge from the diagnostic assessment and strengthening of the SIGED in 16 education systems, including Peru's (operation ATN/OC-18102-RG).¹⁷ It has also supported educational digital transformation processes in several countries, generating tools to identify the conditions that hinder this process and promoting contextualized actions to achieve it (operation ATN/OC-16379-RG).¹⁸ The lessons learned point to the need to design a roadmap for the digitalization of educational management, and to measure and develop teachers' digital and pedagogical skills. The knowledge and experience generated in these basic education projects will be adapted to higher education, developing an instrument for designing and supporting implementation of the ESTP information system for the first time.
- 1.21 **Strategic alignment.** This operation is aligned with the second Update to the Institutional Strategy (document AB-3190-2) and with the development challenges of: (i) social inclusion and equality, by promoting equal access to higher and technical-productive education; and (ii) productivity and innovation, by promoting quality higher and technical-productive education to improve young people's job skills, and the use of technology to enhance management efficiency. The program is also aligned with the crosscutting themes of: (i) institutional capacity and rule of law, by improving the institutional core services provided by MINEDU; (ii) gender equality and diversity, by helping to protect the educational pathways of women and indigenous students, and promoting access to higher and technical-productive education for indigenous people, and women's participation in university research and innovation groups; and (iii) climate change and environmental sustainability, by financing measures to design and build institutions with green building certification

¹³ Technical cooperation for research and dissemination, 2022, US\$300,000.

¹⁴ Technical cooperation for client support, 2021, US\$1 million.

¹⁵ Technical cooperation for client support, 2017, US\$2.3 million.

¹⁶ Loan, 2013, US\$79 million.

¹⁷ Technical cooperation for research and dissemination, 2020, US\$345,000.

¹⁸ Technical cooperation for research and dissemination, 2017, US\$500,000.

and the purchase of energy-efficient equipment, in addition to the strengthening of university programs related to the green economy. It is estimated that 74.56% of the resources will be invested in climate change mitigation and adaptation activities, according to the [joint methodology of the multilateral development banks for tracking climate finance](#) ([optional link 6](#)). The program will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12), through the indicators of students benefited by education projects, and agencies with strengthened digital technology and management capacity.

- 1.22 This program is aligned with the IDB Group Country Strategy with Peru 2022-2026 (document GN-3110-1) in the strategic areas of productive development and institutional strengthening and delivery of basic services at the regional level, by improving the quality of higher and technical-productive education, and thus formal workforce integration and individual productivity, making the MINEDU institutional structure more effective, and improving conditions for the social inclusion of young people. It is also consistent with the Strategy on Social Policy for Equity and Productivity (document GN-2588-4), by improving education quality and services for at-risk youth. In addition, the program is harmonized with the Gender and Diversity Sector Framework Document (document GN-2800-8) and with the Update to the Gender Action Plan for Operations 2020-2021 (document GN-2531-19). It is also consistent with the Skills Development Sector Framework Document (document GN-3012-3) since it seeks to improve the quality of higher and technical-productive education and enhance the employability skills of its students; and with the Climate Change Sector Framework Document (document GN-2835-8) through the design and construction of green-certified buildings and promotion of the use of energy-efficient certified equipment. Lastly, the program is included in Update of Annex III of the 2022 Operational Program Report (document GN-3087-2).
- 1.23 At the country level, the operation is aligned with: (i) the Education Act [\[44\]](#), which recognizes higher and technical-productive education as a way of consolidating the overall development of the individual and contributing to the country's development and sustainability; (ii) the National Policy for Quality [\[45\]](#), which has promoting quality infrastructure in scientific and academic research as one of its strategy areas; (iii) the National Competitiveness and Productivity Policy [\[46\]](#), which includes "strengthen human capital" in its second priority objective and "increase higher education (university and technical) access and quality for the youth population" in its strategy area 03; (iv) the General Government Policy 2021-2026 [\[47\]](#), which establishes the recovery and consolidation of learning in basic, higher, and technical-productive education as a priority; (v) the PNESTP, which seeks to expand access and improve the quality and relevance of all higher and technical-productive education alternatives; (vi) the National Educational Project 2036 [\[48\]](#), which emphasizes the role of higher and technical-productive education for the promotion of research and innovation and development based on human talent; and (vii) the National Public Management Modernization Policy 2030, which highlights the importance of quality goods, services, and regulations [\[49\]](#).

B. Objectives, components, and cost

- 1.24 The general objective of this operation is to ensure that students in higher and technical-productive education (ESTP) receive a quality education. The specific objectives are: (i) to improve the management capacity of the Ministry of Education

(MINEDU) directorates responsible for ESTP, so that they provide adequate institutional core services; and (ii) to achieve adequate installed capacity at the producing units that deliver ESTP services.¹⁹

- 1.25 **Component 1. Improvement of the institutional core services of the MINEDU directorates responsible for ESTP at the national level (IDB US\$20,864,450; Local contribution US\$2,135,550).** This component addresses the program's first specific objective. Program resources will finance consulting services for the design and implementation of: (i) strategies for attraction, leveling, support, and tracking of students with a gender and diversity lens that includes: (a) a strategy for attracting high school students into teacher training programs and (b) strategies for leveling, support, and tracking of students in the five ESTP educational alternatives; (ii) a strategy for development and improvement of the management of research and innovation groups and management of resources for research and innovation projects with a collaborative, interinstitutional, and gender approach at universities; (iii) strategies for improving curricula in prioritized areas at universities; (iv) a strategy for reorganization (optimization) of pedagogical higher education training program offerings, to provide the regional governments with a methodology for identifying programs to be offered in their regions; (v) a strategy for implementation of the education service model in technological,²⁰ technical-productive, artistic, and pedagogical higher education; (vi) a strategy for implementation of licensing processes in technological and technical-productive higher education, including guidelines for the licensing of CETPROs and IESTs; (vii) strategies for the consolidation of qualifications management and usability in accordance with the MNCP, including a system for registration and management of qualifications; and (viii) an integrated ESTP information system, including strategic systems for the MINEDU directorates responsible for ESTP. For details, see [optional link 7](#).²¹
- 1.26 For outputs (i) through (vi), the output development model has three stages: (a) design, (b) piloting, and (c) fine-tuning and dissemination to promote nationwide adoption. The higher and technical-productive education institutions for the pilot will be selected in the execution phase, but some of the criteria to be considered are listed below.
- 1.27 In the case of the universities, work will be done with at least one licensed university per macroregion²² and, whenever possible, at universities targeted by the PMESUT program or by Component 2 of this program. In the case of the strategy for student leveling, support, and tracking (output (i)(b), paragraph 1.25), six universities will be selected, including at least one intercultural university,²³ that report the highest

¹⁹ Understood as the producing units of higher and technical-productive education institutions.

²⁰ IDEX model.

²¹ Optional link 13 describes how some outputs include gender and diversity actions.

²² Peru has five macroregions: (i) North: Tumbes, Piura, Lambayeque, Cajamarca, La Libertad; (ii) Central: Lima (excluding Lima province), Ancash, Junín, Cerro de Pasco, Huánuco, Huancavelica, Ayacucho, Ica; (iii) South: Arequipa, Moquegua, Tacna, Cusco, Madre de Dios, Apurímac; (iv) East: Loreto, Ucayali, Amazonas, San Martín; and (v) Metropolitan Lima: the Constitutional Province of Callao and the Province of Lima.

²³ There are four intercultural universities: Universidad Nacional Intercultural de la Selva Central Juan Santos Atahualpa, Universidad Nacional Intercultural de Quillabamba, Universidad Nacional Intercultural de la Amazonía, and Universidad Nacional Intercultural Fabiola Salazar Leguía de Bagua.

percentages of students at risk of dropout (at-risk students can only be identified once the appropriate methodology has been defined for doing so). The strategy for development and improvement of the management of research and innovation groups and management of resources for research and innovation projects (output (ii), paragraph 1.25) will be piloted at 12 universities that have research professors affiliated with RENACYT or who have publications and/or a research budget. The strategies for improvement of curricula in priority areas at universities (output (iii), paragraph 1.25) will be piloted through two programs per priority area (green economy,²⁴ digital science, and health sciences),²⁵ and at 12 universities.

- 1.28 In the case of teacher training higher education institutes (IESPs), work will be done with at least one regional education directorate and one IESP per macroregion, giving priority to IESPs that have bilingual intercultural education training programs or serve an intercultural population and are beneficiaries of Component 2. The strategy for attracting students (output (i)(a), paragraph 1.25) will be piloted in nine regions. The student leveling, support, and tracking strategy (output (i)(b), paragraph 1.25) will be piloted at seven IESPs. The strategy for reorganizing the training programs offered by the IESPs (output (iv), paragraph 1.25) will be piloted in five regions. Lastly, the strategy for implementation of the education service model in pedagogical higher education (output (v), paragraph 1.25) will be piloted at nine IESPs in different regions.
- 1.29 In the case of technological higher education institutes (IESTs), art colleges (ESFAs), and technical-productive education centers (CETPROs), work will be done with at least one institution and/or regional education directorate per macroregion, giving priority to larger institutions that serve an intercultural population and have benefited from the PMESUT program or Component 2 of this program. Three IESTs, two ESFAs, and two CETPROs will be selected for the student leveling, support, and tracking strategy (output (i)(b), paragraph 1.25). Similarly, the strategy for implementation of the education service model in technological, technical-productive, and artistic higher education (output (v), paragraph 1.25) will be developed at five educational institutions (two IESTs, two CETPROs, and one ESFA). Lastly, the strategy for implementation of licensing processes, including guidelines for the licensing of CETPROs and IESTs (output (vi), paragraph 1.25), will be piloted at seven educational institutions (four IESTs and three CETPROs).
- 1.30 **Component 2: Adequate infrastructure and equipment of ESTP institutions (IDB US\$77,994,621; Local contribution US\$7,005,379).** This component addresses the program's second specific objective. Program resources will finance the comprehensive transformation of nine prioritized institutions (for details, see [optional link 8](#)), including: (i) training for teachers on teaching methods and curriculum implementation; (ii) infrastructure design and works; (iii) equipment modernization; and (iv) maintenance strategies of the institutions.
- 1.31 The projects respond to the following criteria: accessibility, sustainability, efficiency in energy and water consumption, as well as resilience to climate and seismic risks.

²⁴ Programs related to generating a resilient, inclusive, and low-carbon economy.

²⁵ The areas were selected because of the importance of: (i) digital talent to meet the demands of the labor market [50]; (ii) human capital for the development of green industries and care for the environment (paragraph 1.16); and (iii) strengthening of the health sector given the devastating impact of COVID-19.

The nine projects will be certified as green buildings, eight of which will include breast-feeding facilities.

- 1.32 The selected institutions already had their projects registered in the investment bank of the Ministry of Economy and Finance (MEF) and did not have a budget allocated. MINEDU selected the projects to be financed by this component based on the criteria below.
- 1.33 The two university projects were chosen on the basis of the following: (a) whether they were in prioritized career groupings (based on return, unmet demand, and need for investment in laboratories and technological resources); and (b) whether they were at licensed universities less able to finance projects with such features. Two projects were selected by this process for an investment not to exceed US\$13.5 million.
- 1.34 The three teacher training higher education institutes (IESPs) were chosen on the basis of the following: (a) whether the educational premises were deficient in terms of risk, demolition, and equity criteria set in the National Educational Infrastructure Plan; (b) the number of programs of study authorized at the institution; and (c) the availability of bilingual intercultural education programs. Three projects were selected²⁶ for a total not to exceed US\$18.5 million.
- 1.35 In the case of the two technological higher education institutes (IESTs), work focused on the universe of projects identified as future institutes of excellence, giving priority within this group to institutions with: (a) higher enrollment; (b) more training programs associated with the region's economic activities; and (c) less infrastructure deficit. Two projects were chosen for an investment not to exceed US\$40.3 million. Art colleges (ESFAs) were chosen on the basis of enrollment. Of two eligible ESFAs with the highest enrollment, the one selected had an investment not to exceed US\$10.5 million. In the case of the CETPROs, priority was given to enrollment, training programs associated with the region's economic activities, and infrastructure deficit; out of 10 eligible projects, one was selected for US\$2.2 million.
- 1.36 **Program management (IDB US\$1,140,929; Local contribution US\$10,859,071).** This component includes the operating expenses of the executing agency, impact assessment, and program audit. Studies to support program management will also be done under it.
- 1.37 **Beneficiaries.** The Component 1 outputs will benefit MINEDU, regional governments, local education management units, and public higher and technical-productive education institutions along with their students, teachers, and administrative staff, since MINEDU is the apex agency of the national higher and technical-productive education system. However, Component 1 is expected to directly benefit a group of regional governments, local education management units, and higher and technical-productive education institutions (30) along with their students, teachers, and staff, where the component strategies will be piloted²⁷ (for details on the pilots, see [optional link 7](#)). Component 2 will directly benefit nine institutions along with their students (3,365) and teachers (305).

²⁶ Two with bilingual intercultural education training programs.

²⁷ Minimum number of higher and technical-productive education institutions that could benefit.

C. Key results indicators

- 1.38 **Expected impact and outcomes.** There are no direct measurements of student learning outcomes in higher and technical-productive education, so the program will measure its impact on the increase of enrollment in the programs offered by the benefited ESTP institutions and on the decrease of student dropout rates at the benefited ESTP institutions (with specific targets for indigenous students). The outcome indicators will measure: (i) improvements in information management at the MINEDU units responsible for higher and technical-productive education; (ii) the adoption of strategies that MINEDU, regional governments, local education management units, and higher and technical-productive education institutions use for quality assurance in higher education and for the protection of students' educational pathways (with specific targets for indigenous and women students); (iii) the dynamics of research and innovation work at the beneficiary institutions (with specific targets for women teachers); and (iv) improvements in educational services at the institutions benefited by infrastructure works, furniture, and equipment with appropriate environmental standards (with specific targets for indigenous students). Quasi-experimental evaluations with control groups are proposed for two impact indicators and one outcome indicator of the Results Matrix; and before-and-after measurements (without a control group) for the rest of the outcome indicators ([required link 2](#)).
- 1.39 **Economic analysis.** The economic analysis, using the cost-benefit methodology, yielded a positive social net present value of US\$70,325,217 over a 20-year period of measurement of benefits and costs. The social internal rate of return is 19.48%, above the 12% discount rate used to represent the program's opportunity cost ([optional link 9](#)). This result is based on conservative assumptions and does not include benefits that the analysis identified as unquantifiable. The sensitivity analysis confirms the economic viability of the program, the most sensitive activities being those under Component 1.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The operation will be implemented through a US\$100 million specific investment loan from the Bank's Ordinary Capital resources (Table 1). This alternative was chosen because the program is of defined scope, is time-limited, and the components cannot be split without disrupting its logic. The local contribution will be US\$20 million equivalent (annualized information in [optional link 10](#)). The loan disbursement period will be five years (see Table 2), based on the average time needed to design and implement the activities proposed in the program. For program startup, the executing agency will receive support in preparing terms of reference and specifications through operation ATN/OC-19281-PE.

Table 1. Estimated program costs (US\$)

Component / Main activities	IDB	Local	Total
Component 1: Improvement of the institutional core services of the MINEDU directorates responsible for ESTP at the national level			
Integrated information system	5,439,696	264,181	5,703,877
Strategy for attraction, leveling, support, and tracking of students with a gender and diversity lens	2,396,000	264,181	2,660,181
Strategy for development and improvement of the management of research and innovation groups and management of resources for research and innovation projects with a collaborative approach	3,544,352	264,181	3,808,533
Strategies for improvement of curricula in priority areas at universities	2,804,963	264,181	3,069,144
Strategy for reorganization (optimization) of pedagogical higher education training program offerings	1,047,976	264,181	1,312,157
Strategy for implementation of the education service model in technological, technical-productive, artistic, and pedagogical higher education	2,734,150	264,181	2,998,331
Strategy for implementation of licensing processes in technological and technical-productive higher education	1,068,328	264,181	1,332,509
Qualifications registration and management system	1,828,985	286,283	2,115,268
Subtotal	20,864,450	2,135,550	23,000,000
Component 2: Adequate infrastructure and equipment of ESTP institutions			
Infrastructure design and works	63,977,267	4,716,673	68,693,940
Teacher training	426,933	572,176	999,109
Equipment	12,874,774	572,177	13,446,951
Maintenance strategies	715,647	1,144,353	1,860,000
Subtotal	77,994,621	7,005,379	85,000,000
Administration, evaluation, and monitoring			
Management team		10,859,071	10,859,071
External audit	225,000		225,000
Program evaluations	915,929		915,929
Subtotal	1,140,929	10,859,071	12,000,000
Total program	100,000,000	20,000,000	120,000,000

* The details of the reference costs per output for each component are reported in [optional link 10](#).

Note: Costs per activity in each component are indicative.

Table 2. Tentative disbursement schedule (US\$)

Source of financing	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	1,155,268	14,697,644	23,161,749	50,635,998	10,349,341	100,000,000
Percentage per year	1.16%	14.7%	23.16%	50.64%	10.35%	100%

* For reference purposes, year 1 runs from 2023 to 2024.

B. Environmental and social safeguard risks

- 2.2 This program has an environmental and social impact classification of Category “B” because the negative impacts of the Component 2 infrastructure works will be minor, localized, and time-limited. For these impacts, mitigation measures and good construction practices will be applied to ensure compliance with national, municipal, and local regulations, as well as the Bank’s Environmental and Social Performance Standards (ESPS). The program’s environmental and social risk rating is moderate, identifying the need to strengthen capacity in the supervision of socioenvironmental management measures by applying the Bank’s Environmental and Social Policy Framework. Its disaster and climate change risk rating is moderate. Existing conditions in terms of natural hazards or vulnerability of communities or the environment are not expected to be aggravated by the educational infrastructure.
- 2.3 A global environmental and social assessment (GESA) has been prepared for the projects as a whole, establishing eligibility criteria (which exclude projects that cause significant negative impacts), guidelines for classifying socioenvironmental impacts, and the environmental and/or social studies that will be necessary during program execution.
- 2.4 In addition, MINEDU’s environmental and social management system (ESMS) has been assessed during preparation and strengthened to ensure that it is adequate for implementing the program’s activities (in line with ESPS requirements). The ESMS includes a stakeholder engagement framework that provides details of processes and procedures for holding consultations tailored to each project and its contextual risks after implementation has begun.
- 2.5 In addition, a meaningful stakeholder consultation process has been held with participation from different sectors, both institutional and civil society. The main concerns raised related to the inconveniences caused by the works and the temporary relocation of students during the construction phase. The [consultation report](#), together with the final version of the [GESA](#) incorporating the results of the consultation process, were published on the Bank’s website.

C. Fiduciary risks

- 2.6 The Bank used the Institutional Capacity Analysis Platform (ICAP) to assess the executing agency’s ability to execute the program. The final result suggests that Execution Unit 118 (UE-118), “Improvement of the Quality of Basic and Higher Education,” has the capacity to execute the program satisfactorily. Its fiduciary risk was rated medium-low since, although it has staff with experience in managing Bank-financed operations, the full-time availability of staff with the right qualifications to manage this program needs to be assured, especially because the executing agency will be managing two operations financed by the Bank for an estimated period of six months. The need to improve contracting and payment times has also been identified. The following risk mitigation measures are proposed (i) UE-118 will make changes to the institutional arrangements as proposed by the ICAP, which will be reflected in the program Operations Manual with actions to ensure that the MINEDU units comply with the time-limits and deadlines to ensure smooth execution of the program; and, (ii) the fiduciary team will be strengthened by adding the necessary professional staff to handle the increased workload during the period in which the Program to Improve the Quality and Relevance of University and

Technological Higher Education Services (PMESUT) and this program are being managed simultaneously.

D. Other key risks and issues

- 2.7 The following medium-high risks were also identified: (i) political environment: the turnover of MINEDU senior officials and/or executing agency key staff could affect the sector's priorities, creating delays in execution; (ii) economic and financial environment: economic conditions could affect the program's budget allocation during execution and its long-term sustainability; (iii) internal processes: delays in coordination between the institutions and units involved in project execution could delay the execution timetable; and (iv) institutional environment: the program's results could be affected if the higher and technical-productive education institutions do not see the Component 1 outputs as useful or lack the capabilities/resources to implement them. To mitigate these risks, the following measures have been included: (a) hold program onboarding meetings for new staff and maintain close communication with the counterpart on the progress of the operation; (b) maintain a fluid dialogue with the Ministry of Economy and Finance (MEF) to ensure budget allocation during implementation and include a maintenance clause in the agreements with benefited institutions (paragraph 3.6); (c) develop protocols for communication between the parties (executing agency and MINEDU directorates), and ensure compliance with delivery times for the inputs required to start the planned activities; and (d) implement a communication campaign to raise awareness and disseminate the benefits of the Component 1 outputs, and provide training and support to beneficiaries during the adoption period.
- 2.8 **Sustainability.** The following measures are planned to underpin the program's sustainability: (i) all outputs are aligned with the National Policy on Higher and Technical-Productive Education (PNESTP), which runs until 2030; (ii) the Component 1 outputs include dissemination and training activities to ensure adoption and are associated with long-term goals and in some cases with ongoing processes such as licensing; and (iii) the Component 2 investments will have a maintenance plan, on which the staff of the institutions, regional governments, and local education management units will receive training, and a maintenance clause will be included in the agreements with the benefited institutions (paragraph 3.6).

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower will be the Republic of Peru. The Ministry of Education (MINEDU) will be the program executing agency, acting through Execution Unit 118 (UE-118), which is an existing deconcentrated unit with experience and installed capacity, reporting to the Office of the Vice Minister for Pedagogical Management. This executing agency will manage the program and be responsible for administrative functions (related to budget, programming, accounting, treasury, and procurement, applying the Bank's own rules and procedures alongside the applicable national ones). It will also be responsible for technical coordination, as well as planning, execution, monitoring and evaluation.

- 3.2 UE-118 executed the Program to Improve Early Education in Ayacucho, Huancavelica, and Huánuco (loan 2661/OC-PE)²⁸ and is currently executing the Program to Improve the Quality and Relevance of University and Technological Higher Education Services (PMESUT) (loan 4555/OC-PE), pursuant to Supreme Decree 201-2018-EF. While the PMESUT is still ongoing, the structure of the executing agency will be adapted to handle two operations ([optional link 11](#)). UE-118 will act in close coordination with the directorates involved in the project: the General Directorate of University Higher Education (DIGESU), the General Directorate of Technological and Artistic Higher and Technical-Productive Education (DIGESUTPA), and the Directorate of Initial Teacher Training (DIFOID).
- 3.3 UE-118 will use the Electronic Government Procurement and Contracting System (SEACE) as an information subsystem,²⁹ along with the procurement plan execution system (SEPA) or other system designated by the Bank to register the procurement plan ([required link 4](#)) for the dissemination of contracting processes. It will also use the Integrated Financial Administration System (SIAF) to maintain the accounts of the program's operations.
- 3.4 **Program Operations Manual.** The program Operations Manual ([optional link 12](#)) establishes guidelines and operating procedures related to: (i) the program organizational structure and the executing agency's responsibilities; (ii) the responsibilities of other entities involved in program implementation (DIGESU, DIGESUTPA, DIFOID, regional governments, local education management units, and beneficiary higher and technical-productive education institutions); (iii) the technical and operational arrangements for execution of outputs; (iv) the mechanism for implementing the program monitoring and evaluation activities; (v) the procedures for planning and programming of the activities to be financed; (vi) the procedures for program environmental and social management;³⁰ and (vii) guidelines for financial, audit, and procurement processes.
- 3.5 **Special contractual conditions precedent to the first disbursement of the financing:** The executing agency will provide evidence, to the Bank's satisfaction, that the following conditions have been met: **(i) the supreme decree has been published, extending the functions of Execution Unit 118 (UE-118) to make it responsible for execution of this program; (ii) the program Operations Manual has been approved on the terms and conditions previously agreed upon with the Bank; and (iii) UE-118 has engaged the following key staff, based on the job descriptions and requirements in the program Operations Manual: an executive director, a chief of planning and budget, a chief of administration, a procurement specialist, an accounting specialist, a socioenvironmental specialist, and a treasury specialist.** These conditions are essential to give the program the organizational and regulatory structure to function properly and to establish the guidelines and procedures to be followed by the executing agency.

²⁸ Loan, 2011, US\$64.5 million total (IDB contribution US\$25 million).

²⁹ As an information subsystem, the SEACE was analyzed and technically approved for use by the Bank's Operations Financial Management and Procurement Services Office (VPC/FMP) on 26 September 2014, pursuant to the Bank's procurement policies (documents GN-2349-15, paragraph 2.18, and GN-2350-15, paragraph 2.9).

³⁰ These include the GESA and the environmental and social action plan as annexes.

- 3.6 **Special contractual conditions of execution.** Prior to the start of each infrastructure project under program Component 2: **(i) the executing agency will sign interagency agreements with the beneficiary entities, as necessary to establish the terms and conditions for transfer and maintenance; (ii) prior to issuing the start order for works, the executing agency will provide evidence that it has legal possession of the property where the respective work will be built, as well as easements or other pertinent rights for its construction and use, and has contracted for supervision of the work; and (iii) the executing agency must satisfy the environmental and social requirements established in [Annex B of the environmental and social review summary](#).** These conditions are essential to ensure the proper implementation and sustainability of the Component 2 projects.
- 3.7 **Fiduciary agreements and requirements: Procurement.** Procurements financed in whole or in part with the loan proceeds will be conducted in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15). Advanced use of the country system (including the national competitive bidding, shopping, framework agreements, reverse auction, and individual consultant subsystems) as approved by the Bank's Board of Directors (document GN-2538-22 of 2017), is allowed within the scope defined in the respective approval and as stated in [Annex III](#) of this document.
- 3.8 **Fiduciary agreements and requirements: Disbursements.** Disbursements will be made in the form of advances of funds, pursuant to the Financial Management Guidelines for IDB-financed Projects (document OP-273-12), based on a financial plan that covers the project's actual liquidity needs for up to 180 days. Except for the first advance of funds, subsequent advances will be processed when justification has been provided for at least 80% of the cumulative total cumulative balances pending justification. MINEDU will use the Treasury Single Account to manage program funds. Justifications of expenditures will use the exchange rate at which the resources disbursed in U.S. dollars were converted into the country's local currency (monetization rate). Documentation will be subject to ex post review.
- 3.9 **Fiduciary agreements and requirements: Audit.** The program's financial statements will be audited annually by an independent firm of auditors accepted by the Bank within 120 days after each fiscal year-end during the original disbursement period, or as extended, if necessary. The last audited financial statement will be delivered within 120 days after the date stipulated for the last disbursement. MINEDU will select and engage a Bank-eligible independent audit firm using the loan proceeds. The management of the audit in terms of contracting modality, scope, terms, and reporting deadlines will be governed by the Bank's policies (document OP-273-12 and Audited Financial Reports and External Audit Management Handbook).
- B. Summary of arrangements for monitoring results**
- 3.10 **Monitoring arrangements.** MINEDU will be responsible for monitoring each component and will consolidate the respective information for submission to the Bank on a six-monthly basis. Data and evidence for monitoring the progress of outputs and outcomes will be collected as described in the monitoring and evaluation plan ([required link 2](#)). Program progress will be tracked against the Results Matrix

([Annex II](#)), multiyear execution plan (PEP), annual work plans (AWPs) ([required link 1](#)), procurement plan ([required link 4](#)), financial planning, audited financial statements, and program monitoring reports. To facilitate monitoring, the Education Division (EDU), in collaboration with the Bank's Country Office in Peru, will make periodic field visits and meet with the work team to discuss needs arising from these reports.

- 3.11 **Arrangements for evaluating results.** The impact of the program's actions will be evaluated starting in the fourth year, using a quasi-experimental methodology (with comparable control groups) and before-and-after measurements without a control group. Specifically, the impact measurement with control groups will be based on: (i) enrollment growth at teacher training higher education institutes (IESPs); (ii) student retention at higher and technical-productive education institutions; and (iii) interest among high school students in studying pedagogy. The impact measurement without control groups will be based on the rest of the Results Matrix indicators, which will require a baseline, using instruments to be developed, and the higher and technical-productive education integrated information system, to be developed with program financing ([required link 2](#)).

Development Effectiveness Matrix		
Summary		PE-L1268
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	<div>-Social Inclusion and Equality</div> <div>-Productivity and Innovation</div> <div>-Gender Equality and Diversity</div> <div>-Climate Change</div> <div>-Institutional Capacity and the Rule of Law</div>	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	<div>-Students benefited by education projects (#)</div> <div>-Agencies with strengthened digital technology and managerial capacity (#)</div>	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3110	Productive development, Institutional strengthening and delivery of basic services at the regional level
Country Program Results Matrix	GN-3087-2	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		3.0
4. Ex ante Economic Analysis		9.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		0.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium High	
Environmental & social risk classification	B	
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	PE-T1505

Evaluability Assessment Note: The main objective of the operation is to ensure that ESTP students receive quality education. To achieve this objective, the proposal defines two specific areas in which the project will intervene. The first area pertains to the improvement of the management capacity of the MINEDU directorates in charge of the ESTP, so that they provide adequate missionary services. The second area pertains to the achievement of adequate installed capacity in the production units that provide ESTP services. Each of these areas is associated with a component. The document includes a description of the process gaps that lead to weaknesses in each of these two areas.

The project proposal diagnoses that the accumulated desertion in university education is 23% and the timely graduation of only 31% (MINEDU, 2021). Determinants are identified following those identified by the National Policy for Superior and Technical Education (PNESTP). The project focuses in two areas. The first area is related to poor management, which is evidenced the fact that 21 of 44 public universities have a system for identifying students at risk (MINEDU, 2022). The second area regards the installed capacity, which is evidenced by the fact that more than 75% of the classrooms do not have resources such as a computer or a projector (MINEDU, 2021).

The economic analysis is based on a cost-benefit analysis considering the costs of the project and the benefits derived from the increase in the probability of being employed, increased wages and efficiency gains in the use of public resources. The analysis concludes that in the base scenario the net present value of the project is US\$70 million and the internal rate of return is 19%. The benefits are not fully linked to the expected results in the results matrix and points are deducted.

Monitoring is based on reports and surveys to be carried out by the MINEDU or the regional governments. The ex post evaluation includes an impact evaluation with a differences-in-differences method to establish the effect of the project on student retention. A matching analysis is also proposed to estimate the effect on growth in enrollment in pedagogy programs. The rest of the indicators will be evaluated with a retrospective analysis. Five out of twelve outcome indicators lack baseline values and propose targets in relative terms. One outcome indicator will have both the baseline and target values defined in the fourth year of the operation. Points are deducted given the lack of information.

There are eight risks identified, of which two are classified as medium-high. Risks classified as medium-high include changes in MINEDU personnel and delays resulting from poor coordination by the institutions involved. Mitigation actions are proposed for each of these risks.

RESULTS MATRIX

Project objective:	The specific objectives of this operation are: (i) to improve the management capacity of the Ministry of Education (MINEDU) directorates responsible for higher and technical-productive education (ESTP), so that they provide adequate institutional core services; and (ii) to achieve adequate installed capacity at the producing units that deliver ESTP services. Achieving these objectives will contribute to the general objective of ensuring that ESTP students receive a quality education.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline value	Baseline year	Target	Means of verification	Comments
General development objective: To ensure that ESTP students receive a quality education						
Enrollment rate in teacher training programs	[%] – [student-students] / [students]	To be determined (TBD)	2024	↑5pp	Management support Information system of the educational institution, MINEDU	Number of students (enrolled) in each of the benefited teacher training higher education institute (IESP) programs. A specific target is proposed for indigenous students to guarantee parity in enrollment growth.
Milestone 1: Indigenous enrollment rate in teacher training programs		TBD		↑5pp		
Dropout rate among first-year students	[%] – [students] / [students]	TBD	2024	↓10%	Information system report, MINEDU	Estimated from student enrollment at the benefited higher and technical-productive education institutions. A specific target is proposed for indigenous students, since the project seeks to reduce dropout rates equitably for all population groups.
Milestone 1: Dropout rate among first-year indigenous students		TBD		↓10%		

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Specific development objective 1: Improve the management capacity of the MINEDU directorates responsible for ESTP, so that they provide adequate institutional core services											
SO1.1 Percentage of institutions updating information in the integrated information system	$\frac{[\%] - [\text{ESTP institution}]}{[\text{ESTP institution}]}$	0	2022	0	0	0	0	↑35%	↑35%	Integrated information system, MINEDU	Measures the strengthening of information management and reporting on the coverage of all public higher and technical-productive education institutions in the integrated information system. Minimum report required in year t: national identity document (DNI) of applicant and enrolled students, date of first enrollment, year of leaving, DNI of graduates and teachers.
SO1.2 Average time taken for MINEDU to respond to an information request	[Days]	TBD	2024	0	0	0	0	↓30%	↓30%	Survey of MINEDU staff	Measures the strengthening of information management. At least 1 query (launch workshop) will be identified and responded to with the integrated information system.
SO1.3 Percentage of high school students expressing interest in applying to a teacher training higher education institute (IESP)	$\frac{[\%] - [\text{students}]}{[\text{students}]}$	TBD	Year 4 ¹	0	0	0	TBD	0	TBD	Survey of secondary school students, MINEDU	Measures the effectiveness of the tools/technical assistance provided by MINEDU to increase enrollment in IESPs. The indicator reports on the total number of high school students who help pilot the attraction strategies. A specific target for indigenous students is proposed to guarantee an increase in the indicator for this group of students.
Milestone 1: Percentage of indigenous high school students expressing interest in applying to an IESP		TBD	Year 4 ¹	0	0	0	TBD	0	TBD		

¹ The baseline survey is expected to take place in year 4 prior to implementation of the pilot to test the attraction strategy. The consultation will be conducted again immediately after piloting the strategy, in the same year.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
SO1.4 Percentage of at-risk students with educational pathway protection plans	[%] – [students] / [students]	0%	2022	0	0	0	0	40%	40%	Integrated information system, MINEDU	Measures the effectiveness of the tools/technical assistance provided by MINEDU in protecting the educational pathways of students at higher and technical-productive education institutions. The indicator reports the total number of students, from the benefited higher and technical-productive education institutions, who are at risk of dropping out, according to the methodology developed by the program. A specific target is proposed for indigenous students and women, to guarantee an increase in the indicator for these groups.
Milestone 1: Percentage of at-risk indigenous students with educational pathway protection plans		0%	2022	0	0	0	0	40%	40%		
Milestone 2: Percentage of at-risk female students with educational pathway protection plans		0%	2022	0	0	0	0	40%	40%		
SO1.5 Percentage of research and innovation groups with at least 30% women members	[%] – [groups] / [groups]	TBD	2024	0	0	0	0	↑20%	↑20%	Integrated information system, MINEDU	Measures the effectiveness of the tools/technical assistance provided by MINEDU for public universities to develop research and innovation projects based on the collaborative work of their teaching faculty, including women. The indicator reports on licensed public universities.
SO1.6 Percentage of university higher education institutes (IESUs) that have used the MINEDU methodology to update their curricula ⁺⁺	[%] – [IESU] / [IESU]	0	2022	0	0	0	0	20%	20%	University resolution approving the new curriculum	Measures the effectiveness of the tools/technical assistance provided by MINEDU for universities to improve their curricula. The indicator reports on all licensed public universities that have at least one curriculum in the process of adjustment.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
SO1.7 Percentage of regional governments that have regional plans to optimize IESP offerings approved ⁺⁺	[%] – [regional government] / [regional government]	0%	2022	0	0	0	0	20%	20%	Progress report, regional government.	Measures the effectiveness of the tools/technical assistance provided by MINEDU for the regional governments to develop their plans to optimize IESP offerings. The indicator reports on all of Peru's regional governments.
SO1.8 Institutions with education service model implementation plans approved ⁺⁺	[institutions]	0	2022	0	0	0	0	30	30	Progress reports, regional government	Measures the effectiveness of the tools/technical assistance provided by MINEDU to implement education service models. The indicator reports on institutions (technological higher education institutes (IESTs), art colleges (ESFAs), technical-productive education centers (CETPROs), and teacher training higher education institutes (IESPs)) benefited by the education service model implementation strategies.
SO1.9 Institutions that apply for licensing ⁺⁺	[institutions]	0	2022	0	0	0	0	30	30	Certificate of application receipt, MINEDU	Measures the effectiveness of the tools/technical assistance provided by MINEDU for public IESTs and CETPROs to ensure the quality of offerings. The indicator reports on the IESTs and CETPROs that apply for licensing after publication of the strategy. Applications are counted annually and are not cumulative.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Specific development objective 2: Achieve adequate installed capacity at the producing units that deliver ESTP services											
SO2.1 Number of students benefited by educational infrastructure projects with green building certification	[Students]	0	2022	0	0	0	1,496	1,896	3,392	Green building certification, MINEDU	<p>The benefits are associated with improvements in the physical condition of buildings, visits to libraries, and use of equipment.</p> <p>The aim is for students to enter higher and technical-productive education institutions that take steps to mitigate their negative impacts on the climate and the natural environment.</p> <p>This output includes diversity attributes that are described in optional link 13.</p>
SO2.2 Average number of visits to the library	[visits] / [students]	TBD	2024	0	0	0	0	↑20%	↑20%	Library entry/exit report, MINEDU	<p>Measures the use of appropriate spaces equipped for learning. Use will be verified by means of a report on the number of students entering the library in the past month. The indicator reports on the benefited higher and technical-productive education institutions.</p> <p>A specific target is proposed for indigenous students and women, to guarantee an increase in the indicator for these groups.</p>
Milestone 1: Average number of library visits by indigenous students		TBD	2024	0	0	0	0	↑20%	↑20%		
Milestone 2: Number of library visits by female students		TBD	2024	0	0	0	0	↑20%	↑20%		
SO2.3 Average time of equipment use per student	[minutes] / [students]	TBD	2024	0	0	0	0	↑20%	↑20%	ESTP institution report, MINEDU	<p>Measures the use of appropriate spaces equipped for learning. Information is required on enrollment in each course that has laboratory classes, the number of laboratory hours according to the study plan, and information on laboratory equipment.</p>

OUTPUTS

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Component 1: Improvement of the institutional core services of the MINEDU directorates responsible for ESTP at the national level											
C1.1 Integrated information system implemented	System	0	2022	0	0	0	1	0	1	Integrated information system, MINEDU	"Implemented" means that at least 1 higher and technical-productive education institution has records (DNI of applicants, DNI of enrolled students, date of first enrollment, year of leaving, DNI of graduates, DNI of teachers) entered into the system. It will include information on activities, academic and administrative processes, and individual information on students and teachers of the higher and technical-productive education institutions. It will access information from existing systems and subsystems within MINEDU and outside, through interoperability.
Milestone 1: Final study/design of the integrated information system completed	Document	0	2022	0	1	0	0	0	1	MINEDU report	
C1.2 Strategy document for attraction, leveling, support, and tracking of students with a gender and diversity lens, approved *	Documents	0	2022	0	0	0	6	0	6	Approval report, MINEDU	Includes: strategies for leveling, support, and tracking by education modality (total: 5); 1 strategy for identifying and attracting high school students into teacher training higher education institutes. This output includes gender and diversity (indigenous peoples) attributes that are described in optional link 13 .
Milestone 1: Piloting strategy document	Documents	0	2022	0	6	0	0	0	6		
Milestone 2: Pilots implemented	Pilots	0	2022	0	0	6	0	0	6		
C1.3 Strategy document approved for development and improvement of the management of research and innovation groups and management of resources for research and innovation projects with a collaborative, interinstitutional, and gender approach at universities*	Documents	0	2022	0	0	0	1	0	1	Approval report, MINEDU	University higher education strategy. This output includes gender attributes that are described in optional link 13 .
Milestone 1: Piloting strategy document	Documents	0	2022	0	1	0	0	0	1		
Milestone 2: Pilot implemented	Pilots	0	2022	0	0	1	0	0	1		

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
C1.4 Strategy document approved for improvement of curricula in priority areas at universities*	Documents	0	2022	0	0	0	3	0	3	Approval report, MINEDU	Piloted at a sample of universities (at least one intercultural) and in green economy, digital science, and health programs.
Milestone 1: Piloting strategy document	Document	0	2022	0	3	0	0	0	3		
Milestone 2: Pilots implemented	Pilot	0	2022	0	0	3	0	0	3		
C1.5 Strategy document approved for reorganization (optimization) of pedagogical higher education training program offerings*	Document	0	2022	0	0	0	1	0	1	Approval report, MINEDU	Peruvian regulations define this as optimization of training course offerings. This output includes gender and diversity attributes that are described in optional link 13 .
Milestone 1: Piloting strategy document	Document	0	2022	0	1	0	0	0	1		
Milestone 2: Pilot implemented	Pilot	0	2022	0	0	1	0	0	1		
C1.6 Strategy document approved for implementation of the education service model in technological, technical-productive, artistic, and pedagogical higher education*	Document	0	2022	0	0	0	4	0	4	Approval report, MINEDU	One document for each modality (IESP, CETPRO, ESFA, and IEST).
Milestone 1: Piloting strategy document	Documents	0	2022	0	4	0	0	0	4		
Milestone 2: Pilot implemented	Pilots	0	2022	0	0	4	0	0	4		
C1.7 Guideline document approved for the licensing of CETPROs and IESTs*	Documents	0	2022	0	0	0	2	0	2	Approval report, MINEDU	There are two documents per modality, one for the institutions and one for the regional government.
Milestone 1: Piloting strategy document	Documents	0	2022	0	2	0	0	0	2		
Milestone 2: Pilots implemented	Pilots	0	2022	0	0	2	0	0	2		
C1.8 Qualifications registry and management system developed	System	0	2022	0	0	0	0	1	1	System, MINEDU	Must allow registration and management of sector-specific qualifications, and be scalable and interoperable with other

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
											information systems, including the ESTP integrated information system.
C1.9 Staff trained in the new strategies	Persons	0	2022	0	0	1,240	1,371	1,524	4,135	Training completion certificate, ESTP institution	Training of teachers and administrative staff of higher and technical-productive education institutions, regional governments, and MINEDU in the strategies financed by the program. Minimum 75% attendance required for certification.
Component 2: Adequate infrastructure and equipment of ESTP institutions											
C2.1 Higher and technical-productive education institutions with basic quality conditions related to infrastructure	Institutions	0	2022	0	0	0	0	9	9	Rubric for evaluating basic quality conditions, MINEDU and National Superintendency of University Higher Education (SUNEDU)	Measures the improvement in the quality of offerings at the higher and technical-productive education institutions benefiting from the furniture, equipment and works. The indicator reports on the benefited higher and technical-productive education institutions. See optional link 8 , which defines the basic quality conditions. Two higher and technical-productive education institutions have training programs in intercultural bilingual education pedagogy.
C2.2 Technical files approved	Files	0	2022	0	9	0	0	0	9	Senior management report, MINEDU	
C2.3 Educational infrastructure project with energy-efficient equipment	Projects	0	2022	0	0	0	2	2	4	Equipment energy efficiency labels, MINEDU	
C2.4 Institutions benefited with trained teachers/staff	Institutions	0	2022	0	0	0	4	5	9	Training completion certificate, MINEDU	Measures training opportunities for the personnel of the benefited higher and technical-productive education institutions. Training will be provided on different topics, according to projects presented by the benefited higher and technical-productive education institutions.
C2.5 Maintenance manuals prepared for benefited higher and technical-productive education institutions	Document	0	2022	0	0	0	4	5	9	Certificate of plan delivery to ESTP institution, MINEDU	Measures the delivery of guidelines for sustainability of the infrastructure and equipment of the benefited higher and technical-productive education institutions.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
C2.6 IESP staff trained to implement maintenance plans	Persons	0	2022	0	0	0	0	30	30	Training completion certificate, MINEDU	Training for higher and technical-productive education institution and regional government staff on the maintenance manual. Minimum 75% attendance required for certification.

* Requires the strategy to have been piloted at the higher and technical-productive education institutions and adjusted according to the pilot.

++ Measured strengthening of MINEDU in the management of quality assurance.

All indicators that do not have a baseline (TBD) will be measured and reported as part of the program's impact assessment, to be commissioned in 2024.

Country: Peru

Division: EDU

Operation No.: PE-L1268

Year: 2022

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Education of Peru (MINEDU)

Operation name: Investment Program: Improvement of the Quality of Higher and Technical-Productive Education Services at the National Level

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	<input checked="" type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input checked="" type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Special features of fiduciary execution	MINEDU will serve as executing agency, acting through Execution Unit 118 (UE-118), which is currently executing the Program to Improve the Quality and Relevance of University and Technological Higher Education Services (PMESUT) (loan PE-L1227). The structure of UE-118 is sufficient for the technical, administrative, socioenvironmental, fiduciary, and operational execution of this program. The executing agency will be responsible for both operations at some point, so consideration will be given to strengthening the fiduciary team to handle the increased workload involved in executing two operations.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	The Institutional Capacity Assessment Platform (ICAP) concluded that the executing agency's fiduciary capacity is sufficient to implement the program. It rated fiduciary risk as medium-low, identifying the need to improve operational processing times for contracting and payments under the responsibility of the MINEDU units associated with UE-118, as well as the need to strengthen the fiduciary team during the period of time when operation PE-L1227 and this program are being executed simultaneously.
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¹ Any system or subsystem that is subsequently approved may be applicable to the operation, pursuant to the terms of the Bank's validation.

4. Fiduciary risks and risk mitigation

Risk taxonomy	Risk	Risk level	Risk response
Internal processes	If the MINEDU directorates do not meet the standards of the actions for which they are responsible as planned and on schedule, this could delay the performance of contracts and payments to be made by UE-118.	Medium-low	Specify, in the Program Operating Manual, the actions for which the MINEDU areas involved are responsible, to ensure that they are completed in coordination with UE-118 by the deadlines.
Organizational structure	If the fiduciary teams are not strengthened during the period when both operations are being executed, this could adversely affect the executing agency's work, leading to delays/errors in the program execution.	Medium-low	The need to add support staff to strengthen the fiduciary team will be evaluated in due course, to ensure that contracting and financial management processes meet the expected standards.

5. Policies and Guidelines applicable to the operation: Financial Management Guidelines for IDB-financed Projects (document OP-273-12); Audited Financial Reports and External Audit Management Handbook; Policies for the procurement of goods and works financed by the Inter-American Development Bank (document GN-2349-15); and Policies for the selection and contracting of consultants financed by the Inter-American Development Bank (document GN-2350-15) .
6. Exceptions to policies and guidelines: Not applicable.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

<p>Exchange rate: The equivalence in the disbursement currency or approval currency of an eligible expenditure incurred in the borrower's local currency will be determined for purposes of accountability reporting and justification of expenditures by using the exchange rate in effect on the date of conversion of the approval currency or disbursement currency into the borrower's local currency (see Article 4.10, subparagraph (b)(i), of the General Conditions of the Loan Contract). The agreed exchange rate to be used for determining the equivalence of expenditures incurred in local currency and chargeable against the local contribution, or of reimbursements of expenditures chargeable against the loan proceeds, will be the exchange rate on the effective date when the borrower, the executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the beneficiary.</p>
<p>Type of audit: The program's financial statements will be audited annually by an external audit firm acceptable to the IDB within 120 days after each fiscal year-end, and 120 days after expiration of the original disbursement period, as extended. The corresponding terms of reference will be agreed upon previously with the Bank.</p>

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

☒	Bidding documents	<p>Procurements of works, goods and nonconsulting services conducted in accordance with the Bank's procurement policies (document GN-2349-15) and subject to international competitive bidding (ICB) will use the Bank's standard bidding documents (SBDs) or those agreed upon between the executing agency and the Bank for the specific procurement process. Similarly, the selection and contracting of consulting services will be conducted in accordance with the Bank's consultant selection policies (document GN-2350-15) and use the standard request for proposals (SRP) issued by the Bank or agreed upon between the executing agency and the Bank for the specific selection process. For national competitive bidding (NCB), a procurement document will be developed and agreed on between the country's relevant authority and the Bank. The technical specifications and terms of reference for procurement will be reviewed by the project sector specialist during the preparation of selection processes. This technical review may be ex ante and is independent of the procurement review method.</p>
☒	Use of country systems	<p>The Board of Executive Directors has approved advanced use of Peru's country procurement system (document GN-2358-22 of 2017). Consequently, that system may be used once the actions included in the "Report for Acceptance of Use of the Country Procurement System in Peru" have been implemented, and the procurement plans have been amended. The electronic reverse auction, framework agreement-based electronic price list, NCB, and individual consultant subsystems may be used upon completion of the implementation phase of the previous recommendations.</p>
☒	Procurement supervision	<p>The supervision method will be ex post, except where ex ante supervision is warranted. Procurements executed through the country system will also be supervised through the country supervision system. The supervision method: (i) ex ante, (ii) ex post, or (iii) country supervision system, will be determined for each selection process. Ex post reviews will be conducted according to the project supervision plan, which may be altered during program execution. Ex post review reports will include at least one physical inspection visit, chosen from the procurement processes subject to ex post review (10%) (The inspection verifies the existence of the procurement, leaving quality and compliance with specifications to be verified by the sector specialist.) The threshold amounts for ex post review are as follows:</p>

		Executing agency	Works	Goods and nonconsulting services	Consulting services
		UE-118	US\$3 million	US\$250,000	Firms: US\$200,000 Individuals: US\$50,000

Main procurements

Description of procurement	Selection method	New procedures/ tools	Estimated date	Estimated amount (US\$)
Goods				
Equipment for the development of academic and research activities (Madre de Dios IEST)	ICB		30 July 2025	1,583,012
Equipment for the development of academic and research activities (Huancavelica IEST)	ICB		30 July 2025	4,125,848
Equipment for the development of academic and research activities (Universidad de Trujillo)	ICB		30 July 2025	3,094,993
Works				
Construction of infrastructure, buildings, and site equipment for the development of academic and complementary practical activities (Universidad de Trujillo).	ICB		27 January 2025	4,331,556

Description of procurement	Selection method	New procedures/ tools	Estimated date	Estimated amount (US\$)
Construction of infrastructure, buildings, and site equipment for the development of academic and complementary practical activities (Universidad de Cajamarca).	ICB		27 January 2025	3,094,993
Construction of infrastructure, buildings, and site equipment for the development of academic and complementary practical activities (Huancavelica IEST).	ICB		27 January 2025	18,305,601
Nonconsulting services				
Firms				
1.3.1 Consulting services to design, validate, and disseminate methodologies for institutional capacity-building through improvement of the management of research, development, and innovation projects with a collaborative approach at universities and technological institutes.	Quality-and- cost based selection (QCBS)		30 August 2023	3,544,352
1.1.2.1 Implementation of the Integrated Information System	QCBS		29 November 2023	2,400,562
Technical assistance to design the questionnaire, implement the survey for 812 CETPROs and provide support during its implementation.	QCBS		30 July 2023	1,736,864

Description of procurement	Selection method	New procedures/ tools	Estimated date	Estimated amount (US\$)
1.2.2 Consulting service to design, validate, and disseminate methodologies for the implementation of training and management strategies to provide academic strengthening to entering and regular students at risk of interrupting their studies at public universities and technological, art, technical-productive, and pedagogical institutes.	QCBS		31 October 2023	990,639

For the 18-month procurement plan, see: [Procurement Plan](#).

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	<p>Expenditures related to project activities must have been evaluated for viability under the regulations issued by the Ministry of Economy and Finance (MEF). The National Multiyear Programming and Investment Management System (www.invierte.pe) streamlines the approval of investment projects and make their execution more flexible at the three levels of government. The annual programming and budget will be prepared according to the directives of the MEF General Directorate of the Public Budget.</p> <p>The multiyear execution plan will be prepared for the project and used as the basis for the annual budget, reflecting the project's disbursement schedule. The budget allocated to the project will be approved by the MEF and the Congress of the Republic and reported annually to the Bank. The budget will be operated under the Integrated Financial Administration System (SIAF).</p>
<input checked="" type="checkbox"/>	Treasury and disbursement management	<p>The country's treasury system will be used according to directives issued by the National Directorate of Borrowing and Treasury. Expenditure is subject to the budgetary and financial execution process, and the data related to its formalization will be recorded in the SIAF under the regulatory framework applicable to each of its stages: commitment, obligation, warrant, and disbursement. The Bank's disbursements will be made to the Treasury Single Account.</p> <p>Disbursements will be made according to the project's actual liquidity needs (financial planning). The execution unit will submit the disbursement request to the Bank together with a financial plan covering expenditure projections for up to 180 days. Justification will be provided</p>

		<p>for at least 80% of the cumulative balances pending justification, using the Bank's forms.</p> <p>For accounting and expense justification purposes, eligible expenses incurred in the local currency of the borrower's country will be converted to the currency in which the disbursements are made, or alternatively to the currency of approval, using the exchange rate in force on the date on which the approval or disbursement currency is converted into the local currency of the borrower's country.</p> <p>Records and documentation supporting the activities and transactions will be subject to ex post review by the external auditors. All documents and records must be kept for at least three years from the date of the last disbursement. Expenditures ineligible for reimbursement by the Bank will be reimbursed from the local contribution or from other funds identified by the executing agency.</p>
<input checked="" type="checkbox"/>	Accounting, information systems, and reporting	<p>The SIAF's integrated project execution module, which provides transparency and specific controls in budget execution, will be used for project accounting and reporting. This module can be used to issue financial reports, including disbursement requests, exchange rate control, project financial statements, and others, according to the Bank's requirements. Accounts will be on a cash basis, pursuant to international accounting standards and following the directives of the National Directorate of Public Accounting.</p>
<input checked="" type="checkbox"/>	Internal control and internal audit	<p>The control environment, control activities, communication and information, and monitoring of the executing agency's activities are governed by the country's laws and regulations, which are based on the Law Establishing the National Control System and the Office of the Comptroller General of the Republic (CGR).</p> <p>The MINEDU organizational structure includes the Office of the Institutional Control Body, which will perform internal and external control pursuant to the Law Establishing the National Control System and the CGR. It will receive copies of the external audit reports through the Government Auditing System, which was designed by the CGR to perform inspection actions.</p>
<input checked="" type="checkbox"/>	External control and financial reports	<p>As part of the CGR's role (as apex agency of the National Control System) and under its policies, external audits of projects are outsourced to Bank-eligible independent audit firms. The independent audit firms are evaluated periodically by the Bank. The CGR authorizes the executing agency to select and contract the independent audit firms pursuant to Bank policies for the entire project execution period, including any extension of the final disbursement deadline.</p> <p>The project's financial statements include a statement of cash flows, a statement of cumulative investments, notes to the financial statements, and the project management statement. The audit report will include an evaluation of the internal control system. The external audits will be financed with the loan proceeds, and the eligible audit firm will be selected and contracted in accordance with Bank policies and procedures.</p>

<input checked="" type="checkbox"/>	Financial supervision of the operation	Financial supervision may be adjusted in response to program execution and external audit reports. The following activities are foreseen: a portfolio review with the executing agency twice a year, a review of disbursement requests, and at least one financial supervision visit per year.
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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/22

Peru. Loan ____/OC-PE to the Republic of Peru. Investment Program: Improvement of the Quality of Higher and Productive Technical Education Services at the National Level

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 aimed at cooperating in the execution of the Investment Program: Improvement of the Quality of Higher and Productive Technical Education Services at the National Level. Such financing will be for the amount of up to US\$100,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2022)