



Public Expenditure and Fiscal Risk Management DPF-DDO (P154981)

LATIN AMERICA AND CARIBBEAN | Peru | Governance Global Practice |
IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 3 | ARCHIVED on 25-Jun-2020 | ISR41594 |

Implementing Agencies: Ministerio de Economía y Finanzas, Republic of Peru

Key Dates**Key Project Dates**

Bank Approval Date: 11-Feb-2016

Effectiveness Date: 28-Apr-2016

Original Closing Date: 18-Feb-2019

Revised Closing Date: 18-Feb-2022

Project Development Objectives

Program Development Objective (from Program Document)

The proposed operation aims at supporting the Government of Peru's efforts to improve: (i) the management and reporting of public expenditures in subnational governments (SNGs), and (ii) the Government's legal and institutional framework for public-private partnerships (PPPs).

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Progress towards achievement of PDO | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Implementation Status and Key Decisions

The macroeconomic policy framework continues to be adequate and the implementation of the supported reform program is on track.

Risks**Systematic Operations Risk-rating Tool**

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--------------------------|--------------------|-----------------------------------|-----------------------------------|
| Political and Governance | -- | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Macroeconomic | -- | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |



| | | | |
|--|----|-----------------------------------|-----------------------------------|
| Sector Strategies and Policies | -- | <input type="checkbox"/> Low | <input type="checkbox"/> Low |
| Technical Design of Project or Program | -- | <input type="checkbox"/> Low | <input type="checkbox"/> Low |
| Institutional Capacity for Implementation and Sustainability | -- | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Fiduciary | -- | <input type="checkbox"/> Low | <input type="checkbox"/> Low |
| Environment and Social | -- | <input type="checkbox"/> Low | <input type="checkbox"/> Low |
| Stakeholders | -- | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |
| Other | -- | -- | -- |
| Overall | -- | <input type="checkbox"/> Moderate | <input type="checkbox"/> Moderate |

Results

Results Indicators

| | | | | |
|--|--|---|---|--|
| Improve the management and reporting of public expenditures in subnational governments (SNGs) | | | | |
| IN00837725 | | | | |
| ► Percentage of regional governments (RGs) and local governments (LGs) in compliance with fiscal rules for SNGs (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 50% of RGs (representing 66.3% of RGs total revenue) met fiscal rules' targets and 59% of LGs (representing 66.4% of total LGs revenue) met fiscal rules' targets | 73% of RGs and 93% of LGs complied with both fiscal rules | 73% of RGs and 93% of LGs complied with both fiscal rules | 65% of RGs and 70% of LGs met fiscal rules or their convergence targets |
| Date | 31-Dec-2014 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| Comments: | Both fiscal rules (<i>Regla fiscal del saldo de deuda total</i> , and <i>Regla fiscal de ahorro en cuenta corriente</i>) are now being reported in the annual report, following the Legislative Decree 1275. The annual reports can be found on the website of the Ministry of Finance at; https://www.mef.gob.pe/es/reporte-fiscal/informe-anual-de-cumplimiento-de-reglas-fiscales-de-los-gobiernos-regionales-y-gobiernos-locales | | | |
| IN00837757 | | | | |
| ► Percentage of RGs and LGs that submitted the Multiannual Report of Fiscal Management in compliance with reporting obligations (gradual reporting obligation through a six year period; 2015-2020) (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 100% of RGs submit the Multiannual Report of Fiscal Management; 80% of LGs that represent 50% of total LGs' income | RGs and LGs are no longer required to submit the Multiannual Report of Fiscal Management as reports are being automatically generated from the system. Instead, the RGs and LGs that do not comply with the fiscal rules are required to present Fiscal | RGs and LGs are no longer required to submit the Multiannual Report of Fiscal Management as reports are being automatically generated from the system. Instead, the RGs and LGs that do not comply with the | 100% of RGs submit the Multiannual Report of Fiscal Management; 80% of LGs that represent 70% of total LGs' income |



| | | | | |
|--|---|---|---|-------------|
| | | Adjustment Commitments (CAFs). Of this group, 100% of RGs and 95% presented their CAFs in 2019. | fiscal rules are required to present Fiscal Adjustment Commitments (CAFs). Of this group, 100% of RGs and 95% presented their CAFs in 2019. | |
| Date | 31-Dec-2015 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| IN00837759 | | | | |
| ► Number of managerial positions covered by professional public managers (Directivos Públicos) as a percentage of total managerial positions in RGs (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 77.00 |
| Date | 31-Dec-2014 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| Comments: | Given the implementation delay in the Public Directors service regime, this indicator has not advanced. The Government is continuing to advance in preparation for the hiring of staff under the Public Directors regime, with individuals beginning to enter into competitions for positions and SERVIR focusing on capacity building so as to ensure that the Public Directors are well-prepared following their placement. | | | |

| | | | | |
|---|--|-------------------|------------------|-------------|
| Improve the Government's legal and institutional framework for public-private partnerships (PPPs) | | | | |
| IN00837756 | | | | |
| ► Percentage of PPP promoters (spending units) at all levels of government that issue the Multiannual Report on PPP Investment on a yearly basis (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 100.00 | 100.00 | 100.00 |
| Date | 31-Dec-2014 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| Comments: | The final target was achieved in 2017. The public entities which presented reports in 2017 included: Ministry of Transportation and Communications; Ministry of Housing, Construction, and Sanitation; Ministry of Energy and Mining (both the energy and mining sectors); Ministry of Foreign Trade and Tourism; Ministry of Justice and Human Rights; Metropolitan Municipality of Lima; Regional Government of San Martín; Regional Government of Huánuco; Provincial Government of Huánuco; and the District Municipality of San Isidro. | | | |
| IN00837758 | | | | |
| ► Number of unsolicited proposals presented for evaluation (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 147.00 | 32.00 | 32.00 | 88.00 |
| Date | 31-Dec-2015 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| Comments: | The final target was achieved in 2017. Twenty eight of the 32 proposals were for PPPs (six self-financed private activities and 22 co-financed private activities) and four were for operation and maintenance only PPPs. | | | |
| IN00837760 | | | | |



► Number of PPP contracts without MEF's favorable opinion prior to the tender process at all levels of government (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-----------|--|-------------------|------------------|-------------|
| Value | 17.00 | 0.00 | 0.00 | 0.00 |
| Date | 31-Dec-2014 | 13-Nov-2019 | 13-Nov-2019 | 29-Dec-2017 |
| Comments: | The final target of 0 has been achieved; no PPP contracts pass through the tender process without MEF's favorable opinion. | | | |

Data on Financial Performance

Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|----------|-----------|-----------|-------------|-------------|
| P154981 | IBRD-85850 | Effective | USD | 1,250.00 | 1,250.00 | 0.00 | 0.00 | 1,250.00 | 0% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P154981 | IBRD-85850 | Effective | 11-Feb-2016 | 04-Apr-2016 | 28-Apr-2016 | 18-Feb-2019 | 18-Feb-2022 |

Tranches

Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.