Assessment and recommendations

Introduction

The Republic of Peru is the sixth most populous state in Latin America and the seventh largest economy in the region (OECD, 2014). With an average economic growth rate of 5.3% between 2000 and 2014, the country stands out as one of the most rapidly evolving economies in Latin America, driven by significant reform and impressive economic momentum. This momentum, sustained by a combination of prudent macroeconomic policies, the country’s abundant natural resources and thorough structural reforms, has enabled Peru to make impressive socio-economic progress in recent years. These socio-economic advances are all the more outstanding as consecutive military coups, social unrest and recurring economic crises have negatively affected the country’s governance frameworks while eroding trust in public institutions.

Such historical factors as the limited resilience of the public sector, strong centralism that prioritised the coastal areas around Lima and the weakness of political parties, have left strong marks on the country’s governance frameworks.

Since 2001, in a period of relative political and economic stability, millions of Peruvians have overcome poverty to join the ranks of the middle classes. Levels of human development and of gross domestic product (GDP) per capita are rising while income inequality is falling. Nevertheless, Peru remains a deeply unequal and divided country caught in a middle-income trap. Regional disparities, gender inequality and, in particular, ethno-cultural inequality and poverty, geographically concentrated in the country’s Sierra and Selva regions, remain high when compared to OECD indicators and are putting pressure on the Peruvian state to guarantee greater equity and make growth more inclusive.

In response to these challenges, the national government is focusing its reform efforts on pursuing more inclusive growth outcomes through a greater focus on public administration reform, a decentralisation agenda aimed at giving voice to the country’s rural and remote regions, and counter-cyclical investment strategies to drive job creation and economic diversification nationally and in the regions, recognising that a participatory, transparent, open, and efficient and effective public sector can play an essential role in achieving inclusive growth objectives and narrowing inequality.

Evidence in OECD countries suggests that governance capacity and quality of government have strong effects on well-being, social trust and political legitimacy (OECD, 2015). Peru’s public sector faces considerable challenges that impede it from promoting inclusive growth effectively in all regions of the country. Thus, the government of Peru’s key purpose in commissioning this Public Governance Review is to obtain a peer-driven analysis of the strengths and weaknesses of the Peruvian public administration so that it can strengthen its capacity to address socio-economic and territorial challenges successfully and improve outcomes for the citizens of Peru.
In commissioning this review, the government of Peru is thus seeking to harness international experience in how to improve its public governance practices in the six priority thematic areas it has identified: enhancing whole-of-government co-ordination to address multi-dimensional policy challenges; bolstering the evidence base for policy making; strengthening effective multi-level governance for better service delivery and greater interregional equity; increasing citizens’ participation and use of open government not only to design and deliver better policies and services, but to build public confidence in the institutions of the state, strengthen the stability and resilience of the government’s workforce, and make more effective and efficient use of the potential offered by information and communication technologies (ICTs) and digital government.

This Public Governance Review examines each of these governance challenges against the objective of bolstering the state’s strategic agility to set, steer and operationalise a national long-term vision-based strategy to achieve its policy outcomes related to inclusive growth and prosperity in all regions of the country, to measure its performance in achieving results and improving outcomes for people, and to alter course if the anticipated results are not being achieved effectively.

This review constitutes one in a suite of OECD reviews examining various aspects of public governance in Peru under the OECD-Peru Country Programme. Of the 14-odd studies being carried out under the programme, 5 address governance issues, including, in addition to the current review, the Territorial Review, the Regulatory Policy Review, the Integrity Review and the Public Procurement Review. The assessment and recommendations in this review should thus be read as part of this integrated survey of governance practices in Peru; the advice it contains should be understood as part of an integrated continuum of recommendations offered to the government of Peru across these five public governance themes.

In so doing, this review proposes that addressing these challenges and building resilient institutions can ultimately result in more inclusive growth and increased living standards for all Peruvians. This review provides practical advice and international experiences aimed at supporting the government’s efforts at tackling the key public governance barriers to inclusive growth.

Peru’s centre of government (Chapter 2)

The main institutions of the executive branch (Poder ejecutivo) are the President of the Republic and the Council of Ministers, and the Presidency of the Council of Ministers (PCM). The Ministry of Economy and Finance (Ministerio de Economía y Finanzas, MEF), inter alia custodian of the country’s fiscal framework, and the PCM constitute the core of the centre of government (CoG) in Peru.

The PCM is responsible for the co-ordination of the national and sector policies of the executive. It, after the President, is the government spokesman and co-ordinates the duties of the other ministers. Although not the head of government under the Constitution, the President of the Council of Ministers in practice plays the role of a Prime Minister as co-ordinator of government decision making undertaken by the Council of Ministers. In accordance with the Organic Law on the Executive Branch, the President of the Council of Ministers proposes the objectives of the government within the framework of the general policy of the government. The CoG unit serving the President of the Council of Ministers and the Cabinet constitute the PCM.
The PCM houses a large number of secretariats and commissions, and manages different line agencies and public entities. In addition, it oversees special commissions created to address specific issues. Of the 19 entities attached to the PCM, only about 7 play key CoG functions:

1. The Public Management Secretariat (Secretaría de Gestión Pública, SGP) manages the government’s public administration modernisation agenda; it is responsible for the co-ordination, monitoring and evaluation of the National Policy on Public Management Modernisation. It proposes standards relating to the structure of government, and issues opinions on the creation, deactivation or merging of public entities.

2. CEPLAN, the Centre for National Strategic Planning, manages the National Strategic Planning System. It formulates the National Strategic Development Plan (Plan estratégico de desarrollo nacional, PEDN), by leading multi-sector, inter-agency and intergovernmental co-ordination across the executive’s agencies. CEPLAN advises government entities (especially the PCM) and regional and local governments on the definition, monitoring and evaluation of policies and strategic development plans to ensure coherence with the objectives of the National Strategic Development Plan. CEPLAN carries out the monitoring and evaluation of the government’s strategic management.

3. SERVIR, the National Civil Service Authority, is responsible for designing and leading the implementation of the government’s civil service reform strategy in the central and subnational public administration. This strategy is an integral component of the government’s public management modernisation agenda, and aims to professionalise the civil service at all levels of government using the principles of merit and equal opportunities to enhance the government’s capacity to attract individuals who are qualified for key positions in each institution.

4. The Co-ordination Secretariat co-ordinates and monitors the implementation of the government’s multi-sector policies, programmes and projects. It supports the Secretary General of the PCM in his role as chair of the Co-ordination Committee of Vice-Ministers, the cross-government committee of deputy ministers charged with co-ordinating government policy in support of decision making by the Council of Ministers. The Co-ordination Secretariat also manages relations between the executive and the legislative branch, and with autonomous bodies and other institutions.

5. The Decentralisation Secretariat is responsible for managing the decentralisation process and for co-ordinating and articulating the government’s general policy with the regional and local governments.

6. The High-Level Commission against Corruption (CAN) manages Peru’s national integrity policy and co-ordinates the regional anti-corruption commissions in each region.

7. The National E-Government and Information Technology Office (ONGEI) manages the National Information Technology System and co-ordinates the implementation of the National Policy on E-Government and Information Technology.

While the PCM works closely with all line ministries, its most frequent partner is the MEF, Peru’s other CoG institution. Peru has adopted performance-based budgeting. According to General Law 28411 of the National Budget System, the performance
budget is a public management strategy that links the allocation of resources to measurable outputs and outcomes in favour of the population. Most of the budget is organised in programmes, as budgeting units carried out in fulfilment of functions assigned for society’s benefit. This is implemented by the MEF’s Director General of the National Budget. In addition, the MEF also reports annually on three-year budget programming allocations, based on the macroeconomic framework and the programming of the different entities of the three levels of government. The latest framework was approved in January 2015.

One of the main functions of the CoG in any country is to transpose the government’s strategic priorities into specific plans, and have them fully funded through the budget-setting process. In Peru, this planning initiative (SINAPLAN) is managed by CEPLAN. The main function of SINAPLAN is formulating and disseminating a shared vision of the future of the country in the different levels and sectors of government, through the elaboration and update of the PEDN. The current PEDN was approved in 2011 for a period of ten years, to 2021. It presents a number of national strategic objectives. The plan is not a static one; it is subject to updates and improvements, led by CEPLAN.

The strategic plan is broken down into more detailed sector, regional, local and institutional strategic plans, which use shorter timeframes. Under SINAPLAN, and following the guidelines approved by CEPLAN, monitoring of the objectives, with related indicators, baselines and intermediate objectives is also carried out.

In parallel, the MEF produces the annual national budget, along with a three-year fiscal framework, that allocates the financial resources of the state to the various budget programmes. The budget is result-based. In parallel, the MEF has adopted a system of monitoring and evaluation as a tool to implement performance budgeting.

In fact, the government has articulated several national strategic plans/agendas for the development of Peru, the most relevant being the current PEDN Bicentennial Plan: Peru toward 2010 (Plan bicentenario: El Perú hacia el 2021 in Spanish). The planning framework also includes the Agenda de Competitividad 2014-2018, the National Plan for Productive Diversification and the National Strategic Export Plan PENX. Yet, these plans are not linked. And while these plans aim to tackle key challenges in Peru, they are not binding, and the strategic objectives included in them are neither prioritised nor co-ordinated in a coherent fashion.

Thus, these planning processes, although not completely isolated, are not linked in any meaningful way; they need to be tightly co-ordinated to ensure that national objectives in the PEDN (and the various other strategic plans) can be met within set timeframes using the public resources that need to be assigned to them in the budget, and that spending performance can be assessed against the strategic outcomes outlined in the PEDN.

More generally, in Peru, horizontal and vertical co-ordination, key to achieving more effective public policies, could be improved, including, for example:

- The ability of CoG institutions to cascade national strategic objectives down through ministries lies in their capacity to provide strategic direction to ministries; however, ministries tend not to set sector-specific strategies in a way that contributes to the pursuit of whole-of-government strategic goals.
- The CoG thus needs to improve effective communication of the national strategy or vision throughout ministries and institutions. The way in which the key CoG
institutions (the PCM and the MEF) co-ordinate between themselves the key messages of the government’s National Strategic Plan at all stages of its setting and implementation, and jointly communicate these messages to line ministries, is important in this regard.

- Peru lags behind key benchmark countries in its capacity to co-ordinate public policies effectively. Despite recent efforts to increase dialogue among different institutions, the perception across the government is that CoG-led collaboration and co-ordination among ministries and across the administration is insufficient and an obstacle to effective policy making and implementation.

In recognition of these issues and of ongoing challenges in setting and steering an integrated medium-term national strategy, and in designing and delivering public services effectively, efficiently and transparently, the government adopted in 2013 its national policy on public administration modernisation (Supreme Decree No. 004-PCM), the implementation of which is managed by the SGP.

- The first four-year Plan for the Implementation of the National Policy on the Modernisation of Public Administration (PNMGP) 2013-2016 defines actions and indicators with their respective goals, deadlines and leading institutions responsible for the implementation of the policy’s objectives and guidelines, monitoring progress, and evaluating the results and impacts on society.

- The second plan, PNMGP-2021, aims to improve public management, with a focus on results through better service delivery to citizens.

Key elements of the Modernisation Policy include:

- Public policies, strategic plans and operating plans: one of the priorities in the PEDN – development and consolidation of democratic governance and of strong public institutions, led by the CEPLAN – seeks to articulate in a coherent and co-ordinated manner clear government objectives that reflect national priorities. Public policy proposals are to be consistent with these objectives. Public entities, in turn, will need to reflect these objectives in their plans. Thus, the government as a whole ought to be in a position to focus more clearly on serving citizens better.

- Performance budgeting: under the responsibility of the MEF’s Budget Directorate, performance-based budgeting is to be implemented to maintain fiscal discipline, improve efficiency in the distribution of resources and the quality of public spending, and ensure the operational effectiveness and efficiency of all entities and agencies.

- Processing, administrative simplification and institutional organisation: under the responsibility of the SGP, the PCM aims gradually to improve public bodies’ process management while pursuing administrative simplification and the reduction of red tape to achieve better results for citizens.

- Meritocratic civil service: SERVIR’s civil service reform strategy aims to achieve better performance from government officials based on the principles of merit and equal opportunity. The medium-term objective is to professionalise the civil service at all levels of government so as to attract individuals who are qualified for key positions in each institution.

- Information, follow up, evaluation and knowledge management system: the SGP has been mandated to ensure efficient public management by supporting public institutions in building information systems with a monitoring and evaluation process in place as well as adequate knowledge management strategies.
Open government: conducted by the SGP, the open government strategy aims to ensure that the government is transparent, accountable for its actions and results, and offers channels which encourage active citizen participation while enhancing government accountability.

Electronic government: managed by the ONGEI, this strategy aims at promoting the intensive use of ICT in public institutions, to improve the information and services offered to citizens.

Inter-institutional co-ordination: the objective of this strategy is to promote and establish mechanisms for more robust inter-institutional co-ordination that will contribute to the expansion of the performance capacity of government in serving its population.

Thus, the need to improve whole-of-government steering capacity in setting and implementing the national development strategy has been recognised by the government: it is one of the strands of the modernisation strategy. This provides Peru with an important opportunity to pursue a wide range of institutional reforms over the coming years to improve the CoG’s decision making as a means to improve the government’s capacity to improve outcomes for people.

Centres of government are a cornerstone of public governance systems. They ensure high-quality decision making by government and co-ordinate government actions, and maintain coherence in the design and implementation of government policy. Poor co-ordination and ineffective decision making, present in many public administrations, can mean that the translation of political priorities into government action often fail to deliver results for citizens and business.

Indeed, the CoG needs to play a strong co-ordination role, both internally between the various key secretariats in the PCM and between the PCM and the MEF, in all elements of the modernisation agenda listed above, and transversally across the government to ensure, for instance, that financial, human resources and policy performance information is generated properly, used effectively in informing the next wave of policy and budget setting and implementation, and can be harnessed to inform citizens effectively on progress in achieving development and well-being outcomes for citizens in all regions of the country under the government’s open government and transparency and accountability agendas.

In response to the questionnaire sent as part of this review, the government of Peru acknowledged the necessity to strengthen co-ordination mechanisms to implement government priorities in a way that reflects the size and complexity of national policies, as well as the need for a comprehensive institutional framework that guarantees adequate support for decision making, proactive and reactive co-ordination capacity, proper alignment with the National Strategic Development Plan, and for robust monitoring and evaluation systems that contribute effectively to decision making.

To prepare the responses to the questionnaire, the PCM and the MEF worked together to design a mechanism for the management of government priorities, encompassing institutional design functions and procedures as well as an organisational model for the centre of government, and the development of an implementation plan. In its responses, the government proposed the creation of two units:

1. A Strategy Unit in charge of strategic planning, public management, management of crisis, co-ordination of public policies and strategic communications.
2. A Compliance Unit with the goal of monitoring throughout the policy cycle (follow-up and evaluation). In the proposal both units have the duty to co-ordinate with all ministers.

The recommendations below aim to build on the spirit of what the government of Peru proposed in its responses to the OECD questionnaire. In recommending these institutional reforms, the review notes the following:

- Some of the recommendations requiring structural reform could be complex and take time and effort, including through the pursuit of amendments to organic laws and other framework legislation and their requisite consultations. Due consideration to these challenges would therefore need to be reflected in any reform strategy that the government designs in this area.

- In focusing on the PCM as the CoG institution serving the President and the Council of Ministers, the thrust of this advice in no way aims to question (or weaken) the role of the MEF. Without a doubt, the ministry’s role has been fundamental in the transformation of Peru. On the contrary, advising to strengthen the co-ordination capacity of the PCM aims to generate in this CoG institution a more robust partner for the MEF so that they can jointly co-ordinate national strategic policy and fiscal design, implementation and performance monitoring to achieve results for citizens and improve inclusive growth outcomes in all regions of the country, while ensuring that if performance information demonstrates that results are, in fact, not being achieved as anticipated, they can jointly advise the President and the Council of Ministers on how best to design and pursue a strategic change of course that more effectively achieves the desired results.

In advising Peru on strengthening CoG co-ordination capacity, this review takes into account the following considerations:

- The Presidency of the Council of Ministers needs greater stability, a clearer institutional make-up free from responsibilities that detract from its primary purposes, and more political and policy clout in the system so that it can focus on leading whole-of-government co-ordination of the design, delivery and performance monitoring of the multi-year National Development Strategy.
  - In the period 2000-15, there were 20 different PCMs, more than one per year on average, usually with commensurate turnover in senior staff reporting to the President of the Council of Ministers.
  - This is hampering adequate fulfilment of the CoG functions, in particular conducting strategic foresight and sustaining the co-ordination of public policies over time.

- With 16 different units and secretariats reporting to the head of the PCM, the PCM is at once too atomized, with too many different mandates, and not focused enough to play its co-ordination role effectively. In most OECD countries, the CoG is not responsible for transactional sector-specific activities: once they are conceived, policy responsibility for their roll-out and management is transferred to the relevant line ministry to preserve the CoG’s capacity to lead high-level strategy design, delivery and monitoring properly.

- The PCM needs to be able to co-ordinate closely and on an ongoing basis with the MEF to ensure that the PEDN is clearly linked to the budget and the multi-year fiscal framework, and to ensure that SERVIR’s reform agenda can be implemented
effectively with proper funding and workforce wage management. It needs to be able to co-ordinate with line ministries across the central government and with regional and local governments on developing and implementing the PEDN, as well as on all strands of the modernisation agenda, including on decentralisation and performance measurement, so that planning frameworks such as the PEDN and SINAPLAN actually benefit from the contributions of all key public and private actors, and the government’s performance story can be developed and communicated in as an integrated a fashion as possible.

- performance information needs to inform the planning process
- strategic objectives, including civil service reform objectives, need to be defined in the context of the fiscal framework, so that the government and citizens understand what is implementable within any given time frame
- integrated communications to Congress and the public needs to be led by the CoG.

These considerations frame the recommendations that follow. Their purpose is to:

- Build capacity in the PCM and enhance its political and policy clout in the system.
- Enhance its capacity to lead co-ordination effectively of the design, implementation and performance monitoring of a national multi-year development strategy that links policy to budgeting, annual sector plans, and gathering and communicating whole-of-government performance information that assesses implementation against results.

**Box 0.1. Recommendations on the centre of government**

**Strengthen centre-of-government-led whole-of-government co-ordination**

- Strengthen institutional capacity to overcome silos and improve integrated, multi-dimensional whole-of-government strategic planning, implementation and performance monitoring that effectively achieves results in a way that assesses spending decisions against the achievement of strategic policy outcomes:
  - Review the composition and mandates of the secretariats and agencies currently in the PCM with the view to transferring those units not playing a whole-of-government co-ordination function to the relevant line ministries, thereby enabling the PCM to focus its mandate more clearly on the national development strategy, government modernisation, decentralisation and on managing government-wide operations. Any unit not involved in delivering on these mandates should be transferred to a relevant line minister. Any and all resource savings accruing as a result of this exercise should be reallocated to the core CoG units, including CEPLAN, the SGP, the Decentralisation Secretariat, SERVIR, the Co-ordination Secretariat, CAN and ONGEI.
  - In transferring agencies/entities, safeguard/strengthen autonomy where warranted. For example, the National Statistical Agency’s autonomy should be confirmed (and if necessary strengthened) to ensure that it is properly resourced and protected from partisan political interference in exercising its mandate.
Box 0.1. Recommendations on the centre of government (continued)

− Create two new Vice-Minister positions within the PCM reporting directly to the Premier of the PCM to reinforce its strategic role as one of the two institutions making up the CoG:
  − Group strategy-setting units under a Vice-Minister of National Strategy and Public Governance Modernisation.
  − Group strategy implementation/delivery units under a Vice-Minister of Operational Delivery and Results.
  − Create a standing Committee of the Council of Ministers to oversee strategy setting, planning, budgeting, implementation/delivery and performance monitoring to ensure the achievement of national and regional strategic outcomes, to be supported by the two vice-ministers and the MEF. This standing committee could be chaired by the President of the Council of Ministers, with the Minister of the Economy and Finance as vice-chair, and report to the President of the Republic. The Technical Secretariat of this committee could be headed by the PCM.
  − Base the recruitment and appointment of the vice-minister positions on merit; the incumbents should ideally be selected from the top ranks of the civil service.
  − Ensure stability in the structures and in the officials managing them, that lasts beyond a single electoral cycle.

• Communicate these changes widely both internally and externally.

Improve co-operation between the PCM and the MEF

• Reinforce the link between CEPLAN and the Director General of the National Budget to better align the PEDN with the multi-year budget using a common time frame. To this end, a joint commission should be set up to harmonise the medium-term framework as well as to increase the achievement of goals, its monitoring and its diffusion.

Reinforce capacity to integrate the results of long-term strategic foresight into strategic planning

• Despite the latest round of PEDN updating, there remains a need to improve the definition of goals, outcome-oriented indicators, and monitoring and evaluation techniques. Additionally, there is currently no long-term foresight document. The existence of such information is a useful tool to define long-term objectives that surpass the period of the PEDN. Peru might consider increasing the role of the National Agreement (Acuerdo Nacional) in this respect (see Chapter 3).

Improve the performance-monitoring framework

• Performance monitoring and audit seem to be split in different units (CEPLAN, MEF, Comptroller General’s Office, etc.), which at present do not provide outputs that can be used systematically in the decision-making process. CEPLAN clearly needs to reinforce its evaluation capacities and integrate the work done by the MEF and others in the strategic planning processes. The example of SINERGIA in Colombia could help in this respect (see Chapter 3).
Box 0.1. Recommendations on the centre of government (continued)

Increase strategic skills capacity of the civil service in the PCM, and ensure stability in staff rotation

- Technical capacities need to be reinforced in the CoG, through training, technical assistance, seminars, etc. This applies to the central administration, but also very much, on a second wave, to the senior civil service of the key regional and local CoG-like units. A continuous learning process should be therefore institutionalised to develop the proper co-ordination, planning and management skills in the PCM (see Chapter 5).

Use the CoG to engage citizens and civil society as key players

- Citizens should be involved in the political life of Peru on a regular basis. This can be done in different ways, such as open government techniques to inform the population, satisfaction surveys to feedback the planning process, workshops and roundtables for stakeholders, enhancing the National Agreement and other initiatives to ensure that the needs and aspirations of all Peruvians are rightly identified and met by the government at all levels (see Chapter 7).

Develop and implement an integrated ongoing government communications strategy

- The CoG should build capacity to inform citizens on a regular basis on efforts and results in government modernisation, strategy implementation, decentralisation and other strands of the national development strategy. This can over time strengthen trust and consolidate democracy gains.
- This strategy should include the use of ICT and digital government tools to engage citizens systematically in Peru’s public life.

Strategic planning, and monitoring and evaluation (Chapter 3)

Peru is pursuing improvements to its strategic planning and monitoring and evaluation (M&E) instruments. This presents an important opportunity to strengthen strategic planning as a key policy instrument to set priorities, allocate resources, and set measurable goals and objectives, taking as a starting point clear and relevant baselines.

Just as whole-of-government policy co-ordination led by the centre of government can be strengthened significantly, so too can this general statement be applied to whole-of-government strategic planning. This is particularly valid for the interaction between CEPLAN and the Director General of the National Budget. Indeed, separation and a lack of a common vision shared by these two key bodies are recognised by the authorities as weaknesses that need to be addressed. While the PEDN is conceived using a planning horizon of a decade, financial resources for its implementation are not secured nor integrated into the plan, as budgetary programming is a parallel process led by the MEF using a much shorter period of three years. Peru could also enhance the use of performance information in budget formulation and execution, ensuring that this information is integrated into the PEDN formulation and updating its processes.

These issues at the national level also play out subnationally: there is a need to reinforce the links and the commonality of planning horizons between the PEDN, strategic planning and budgeting at the regional and local levels. Coherence and alignment of objectives in strategic and operational plans need to be ensured at all levels.
It is also important to generate proper robust regional performance data and use it to target resource allocation decisions to improve policy outcomes more effectively on the ground, in particular in the poorest regions and communities of the country.

Peru displays limited capacity for strategic foresight to improve evidence-based decision making. Efforts have been made with the update of the PEDN with objectives for 2016 and 2021 that are still pending approval. But strategic foresight refers to the long term (exceeding ten years), including planning scenarios drawn from horizon scanning. CEPLAN should finalise its public consultation and develop a country vision for the periods to 2030 and 2050, and use these to inform successive iterations of the PEDN.

Despite progress made in monitoring and evaluation, and notwithstanding upcoming improvements, there is consensus among senior officials and observers in Peru on the need to improve significantly the culture of evaluation in the public administration, as well as M&E methodologies, dissemination and training. Some of the challenges identified by the authorities themselves include:

- poor record-keeping and quality of information in the public entities
- lack of experience in defining long-standing national key indicators and analysing data
- insufficient information available at regional and local level, and limited M&E capacities
- insufficient timeliness in information and feedback
- reactive approach, passive corrective actions only driven by regulations
- weak co-ordination among entities, both vertical and horizontal
- insufficient technical capacities and M&E tools.

An interesting example of a comprehensive, integrated, government-wide evaluation tool is the government of Colombia’s SINERGIA. For over 20 years Colombia has been developing information management tools to implement performance-based budgeting both nationally and in the regions. Based on the current approach to SINERGIA, the government of Peru could consider:

- strengthening its evaluation capacities and disseminating its results
- promoting stakeholders’ and citizens’ involvement in the M&E process through surveys to measure public perception of the way the government is achieving national objectives
- increasing the integration and co-ordination of SINAPLAN
- reinforcing its set of performance indicators to better measure policy outputs and outcomes as identified by the PEDN.
Box 0.2. Recommendations on strategic planning, monitoring and evaluation

Use the results of strategic foresight and long-term horizon scanning to inform planning

- The government (the PCM and MEF together) could lead the process of identifying a set of long-term strategic objectives for the country supported by an accurate interpretation of emerging challenges, trends and opportunities, along with sound evidence on the achievement of past results, to inform its medium-term strategic objectives and programming in the PEDN.

- Harnessing contributions from all sectors of society, perhaps using existing institutions to facilitate the process (for instance, the National Agreement), could enhance the utility of this exercise.

- Inform the medium-term PEDN with the results of this exercise. Many OECD countries seek to embed shorter term plans within longer term strategic objectives. Bulgaria, the Czech Republic, Poland, Romania and the Slovak Republic are cases in point. The government of Peru could therefore consider reinforcing its current strategic planning instruments by identifying emerging policy challenges and trends over a longer term planning horizon, upon which long-term strategic outcomes could be identified for the country, and use all this to inform its medium-term strategic objectives as articulated in the PEDN.

Integrate strategic planning and outcomes-based management

- Strengthen capacity in the planning offices of SINAPLAN, including the regulatory framework, human resources, training and the information system. In this context, strategic public planning could be reinforced to include the decision-making process of the strategic programmes, more in-depth and with enhanced feedback.

- Improve co-ordination between the budgeting, planning, monitoring and evaluation systems. Indeed, efforts could be deployed to set up an integrated system to strengthen all three areas and the managerial capacity, linking the institutional, sectorial, regional and local processes, and the planning timetables (short, medium and long run).

- Use performance information generated by the outcomes-based management system to enhance transparency and accountability: the engagement of both parliament and citizens could be enhanced in both planning and evaluation by establishing a mechanism to provide information and feedback channels (see Chapter 6).

- Evaluation is not only a tool for administrative control, but an instrument for analysis and feedback for management. In spite of the progress made by Peru in the area of M&E and control, challenges remain regarding the impact and effect of the reports. Moreover, there is a weak application of the liability regime relative to public policy outcomes and ineffective accountability processes. Therefore, Peru may continue to face challenges and additional efforts in enhancing the performance audit function in terms of volume, relevance and timeliness. It should be outcome- rather than output-oriented, looking for efficiency and savings. In addition, feedback could be better used in the decision-making process.

Strengthen links between the strategic plan and the national budget framework

- Ensure ongoing partnership-based co-operation between the PCM/CEPLAN and the MEF to work jointly on an integrated approach to setting and implementing the government’s planning and budget frameworks in a co-ordinated fashion.
Box 0.2. Recommendations on strategic planning, monitoring and evaluation
(continued)

- Harmonise medium-term planning horizons so that CEPLAN’s PEDN and the MEF’s multi-year planning frameworks and time frames converge:
  - The lack of enforcement of the National Development Plan in the long term puts pressure on the strategic policy-making and service delivery capacity due to uncertainty. This could be improved, for instance, by including public hearings, debate and voting in the Congress.
  - Stronger links between CEPLAN and the MEF could enhance internal coherence and reinforce the PCM’s whole-of-government mission and wide-scope vision.
  - Notwithstanding the need for institutional operational flexibility, ministries and regional and local governments should specify, year by year, their programmes to achieve the goals identified by CEPLAN in the PEDN, identifying activities and realistic targets.
  - Evaluation reports should be integrated in a summary document and presented in parliament and published. This would enhance transparency and accountability vis-à-vis the Peruvian population.
  - In order to enable it to exercise its functions in this area as efficiently as possible, provide CEPLAN with greater human and financial resources.

- Integrate performance measurement/evaluation more deliberately into both strategic planning and budget decision making, and reinforce inter-institutional co-ordination to reduce gaps between strategic planning and budgeting:
  - The existing gap between planning and budgeting is a major challenge that needs to be addressed. Both CEPLAN and the MEF have to work closely to establish stronger co-ordination and links between their processes. Two options could be considered:
    - establish a Joint CEPLAN-Director General of the National Budget Commission
    - extend the mandate of the Inter-ministerial Commission on Economic and Financial Affairs to fiscal issues.
  - The government needs to address the challenge of linking planning and budgeting by promoting evaluation efforts, serving as strategic input to long-term public policies. This could be done within the commission, but also by embedding the M&E information into the planning and budgeting process in a co-ordinated way.
  - Those efforts should also be reflected not only at sectoral level but also at subnational level with a more integrated approach.

Improve government information systems to include performance information

- Information systems could be strengthened to include performance information. One of the most important obstacles for implementing performance-based management is the lack or deficiency of statistics or insufficient information systems in some public institutions. Tools currently used such as RESULTA and the Integrated Information System (SII) are a good basis but should be extended and enlarged as a whole-of-government tool.
Box 0.2. Recommendations on strategic planning, monitoring and evaluation (continued)

- The role of the National Institute of Statistics and Informatics (INEI) in that context is also crucial and should be reinforced in line with what is recommended in Chapter 2 on the centre of government to assure reliable performance information.

Strengthen sector-based co-ordination

- In order to make better use of M&E information, sector co-ordinators require stronger authority to stimulate discussion and take decisions relative to the attainment of the PEDN’s goals for their policy area, based on the reports and results issued by the SII and RESULTA. These reports are not always used in decision making, political control or budget approval.

Strengthen territorial capacity and co-ordination for monitoring and evaluation

- Subnational governments have financial and human resource limitations to carry out strategic planning M&E. In most cases, they only use M&E instruments to meet formal requirements rather than for decision making or to improve performance in their region. This situation is caused in part by weak capacity in regional administrations. Therefore, despite some efforts made by the MEF and CEPLAN, financial and human resources in regional and municipal institutions should be reinforced, perhaps using the canon redistribution system (see Chapter 4), in order to strength territorial strategic planning and M&E.

- Effective ongoing co-ordination across levels of government is needed to use performance information more effectively for medium-term planning purposes and to improve policies and service delivery over time in a way that addresses the specific needs of each region and improves the effectiveness of regional public expenditures on improving outcomes for people on the ground.

- CEPLAN and the MEF could jointly support building capacity in regional and local entities in this area through the sharing of expertise and transferring knowledge to subnational administrations. The regional development agencies proposed in Chapter 4 could be the place to consolidate this practice.

- Strengthen internal controls of national expenditures executed in the regions: weakness in the planning of public policies and programming that are implemented regionally limits the efficiency of subnational expenditures. This affects the planning and prioritisation of policies at subnational level.

- Co-ordination between audit or control entities is still a challenge: co-operation is essential to avoid duplication or overlap in audits and assessments. Using international standards, the Comptroller General of the Republic could consider enhancing its leadership role at the subnational level.

Multi-level governance (Chapter 4)

Thirteen years after initiating the decentralisation process, the Peruvian legal framework governing the decentralisation strategy is fragmented, overly complex and difficult to implement. Fiscal decentralisation is an essential dimension in the process; it seeks to increase the financial autonomy of regional governments in fulfilling their responsibilities. The decentralisation of expenditures has deepened as a great number of responsibilities have been assigned to subnational governments, but the decentralisation
of revenue sources appears not to have kept up with the mandates assigned to regional authorities: in 2008 this share rose to only 12.3% of total government revenues, with the local governments collecting most of these. Such a low share of own revenues implies a great reliance on intergovernmental transfers.

The current royalty transfer regime does not appear to be designed to address specific needs on the ground in each region and they appear to be made outside of any kind of intergovernmental agreement or contractual arrangement that defines policy objectives to be pursued with the transferred resources and outcomes to be achieved with these public investments. They do not appear to be linked to the local or regional development plans either.

In this connection, Colombia’s main vertical co-ordination instrument for flowing royalty investments to departments and municipalities is the contrato plan, modelled on the French contrat de plan État-région (CPER), an OECD good practice. The contrato plan promotes co-ordination between the central government and one or more subnational entities and could be of interest to Peru.

Multi-level governance challenges tend to be country-specific. In the case of Peru, many challenges remain: the Intergovernmental Co-ordination Council (Consejo de Coordinación Intergubernamental, ICC) was conceived as the highest level co-ordinating forum between the three administrative levels, but is still inactive. Sector-specific intergovernmental commissions, while somewhat more active, are not registering homogenous progress: work is still uneven and only one-third of them are considered by the PCM’s Decentralisation Secretariat to be functional: health, labour and education. In the same vein, intergovernmental policy co-ordination at the subnational level through the regional and local co-ordination councils are not achieving their full potential. Evidence thus suggests that alignment between local and regional planning is still weak.

In the context of acute and persistent regional disparities, inter-municipal and regional co-operation under the figure of mancomunidades have the potential to provide for more efficient ways of communication to overcome institutional bottlenecks affecting multi-level governance in Peru. Their contribution to more efficient public governance is pursued through implementing projects, promoting local development, empowering initiatives for citizens’ participation and improving the quality of services to the population. In this manner, various other initiatives of a similar character have proven fruitful in numerous Latin American countries.

Box 0.3. Recommendations on multi-level governance

Reinforce institutional arrangements to deliver effective decentralised governance

- Strengthen capacity to implement decentralisation in the structures within the PCM by reinforcing the human and financial resources of the Decentralisation Secretariat so that it can work closely with regional and local governments on designing and implementing decentralisation strategic policy and assessing and monitoring progress, and feed this information into CEPLAN and the MEF.

- Strengthen the working relationships between the Decentralisation Secretariat, the SGP, CEPLAN and SERVIR so that all are working to achieve the same strategic decentralisation objectives, and to mainstream decentralisation within the National Strategic Development Plan (PEDN). As recommended in Chapter 2, these units could work together for a Vice Minister of National Strategy and Public Administration Reform, responsible for integrating all strands of national development strategy, including decentralisation and regional development, inclusive growth, and public administration reform at the subnational levels, into the PEDN.
Box 0.3. Recommendations on multi-level governance (continued)

- Strengthen the working relationship on decentralisation with the MEF, to ensure that performance budgeting is implemented at the subnational level and that subnational expenditure performance information is fed back into PEDN planning.

- Over time, consider creating, separate from the Decentralisation Secretariat which would remain in the PCM and retain strategic policy responsibility for decentralisation, a Ministry for Regional Development, with operational responsibility to work with regional and local governments to implement decentralisation effectively in all regions of the country, including managing intergovernmental arrangements (including contracts – see below) to deliver co-ordinated fiscal resources to subnational governments and help monitor expenditure performance against the achievement of results for regional development, regional disparity reduction and improved outcomes for people in each region of Peru.

- Conduct a robust regulatory stock review of all laws, rules and regulations adopted to implement decentralisation since 2002 to eliminate overlap, duplication and dysfunctions to achieve greater clarity, transparency and accountability for decentralisation.

- Finalise the clarification of roles and responsibilities of national, regional and local governments. This could include the identification of services to be provided by each level of government, the active participation of line ministries, and the opinion of regional and local governments with which competencies are shared.

- Publish a comprehensive list of the distribution of competencies. As stated in Chapter 6 on digital government, there is a clear need for more and better information addressed to citizens.
  - The Decentralisation Secretariat could publish user-friendly information regarding the decentralisation process and delimitation of powers and competencies among the different levels of the administration.
  - Go further than the current annual report on decentralisation by developing performance indicators on decentralisation and on the impact of decentralisation on improving the standards and quality of services delivered to citizens, on their impact in improving outcomes for people in each region, and on reducing regional disparities across the country.

Strengthen the fiscal autonomy of subnational governments and implement equalisation grants

- Formulate multi-level co-ordination instruments, including intergovernmental contracts, to deliver the canon resources – a contractual framework that includes purpose, objectives, results/outcomes sought, and a monitoring and evaluation framework, and, perhaps using Colombia as an example, make sure that the canon funding can be co-ordinated with sector-based national budget spending being decentralised.

- Promote greater integration of funding from the FONCOMUN and the canon to achieve clear, defined policy outcomes that are specific to each region, have been identified in full consultation with regional authorities (using existing institutional arrangements that were established for this purpose), and that are fully integrated into the local, regional and national development strategies.

- Mandate the MEF and CEPLAN to strengthen municipal government fiscal capacity and administrative capacity for fiscal management and collecting local taxes. Local governments could also raise citizens’ awareness for paying taxes on time so as to deliver better basic public services.

- Encourage interregional associations of municipalities and other subnational entities to contribute more effectively to national strategy-setting and implementation, achieve better economies of scale in designing and delivering better services for less cost that improve outcomes for people, and monitor performance (see below).
Box 0.3. Recommendations on multi-level governance (continued)

**Improve capacity to address co-ordination challenges between levels of government**

- Institutionalise mechanisms for intergovernmental co-ordination of the decentralisation process by implementing a more flexible and adapted structure and ensuring it is fully supported by the structures in the PCM and on sector issues by line ministries. This could include strengthening the role and capacity of the Intergovernmental Co-ordination Council, which could imply establishing a smaller number of participants, a more flexible system for taking decisions (maybe through consensus and non-binding decisions or recommendations). One option could be to split the Intergovernmental Co-ordination Council into two sections, one dedicated to regional governments and the other to local governments as in some OECD countries (see Box 4.3 in Chapter 4).
  - In the case of sector-based co-ordination bodies, the PCM should play a lead role by promoting the creation of dynamic sector-based commissions as well as ensuring a whole-of-a-government and integrated approach.
  - Ensure that regional and local councils can contribute substantially to national strategy-setting and implementation through effective multi-level governance.
  - Ensure that CEPLAN works together with the Decentralisation Secretariat and the Ministry of Economy and Finance to articulate common planning processes of national, regional and local governments (see above), and to design and implement a basic single framework for subnational management linked to performance-based management.
  - Implement an outcomes-based performance monitoring system for decentralisation and subnational management and administration. This system should be aligned to an integrated CoG monitoring and evaluation system. As outlined in Chapter 3, budgetary programmes should be aligned at the three levels of government.
  - Strengthen municipal and regional government associations, including the National Assembly of Regional Governments, to achieve its goal of “driving, developing, deepening and defending the decentralisation process to solidify the leadership role of the country’s regional governments”.

- Reinforce central and regional co-ordination capacity by establishing institutional support in each region (for example, through a regional development agency in each region or supporting a cluster of regions), composed of civil servants from the national and regional governments, to facilitate a partnership-based approach to regional development and improve co-ordination at the regional level between the region and the national government:
  - Mandate these institutions to support the national and regional governments in addressing regional challenges by generating sound evidence on these challenges and by enabling more robust intergovernmental co-operation to address them; to design, implement and monitor strategies and key projects on the ground; and to engage in interregional co-operation and co-ordination on common projects and the sharing of experience across regions.
  - Mandate these institutions to report simultaneously to the PCM (CEPLAN and the DS), the MEF and the regional government(s) and, in time, if created, to the Ministry of Regional Development.
Box 0.3. Recommendations on multi-level governance (continued)

Strengthen interface capacity in regional governments to co-ordinate with other governments

- Just as the central government possesses centre-of-government institutional arrangements to lead cross-governmental and intergovernmental co-ordination of national strategic and fiscal policy setting and implementation, so too should regional governments possess their own “CoG” institution to act as a focal point to engage effectively with the other levels of government and lead implementation of policy, fiscal and administrative initiatives (from regional development plans and budget execution to co-ordinating regional investments (e.g. infrastructure, health and education) and policies on HRM, digital government, transparency, integrity and regulatory affairs) in the region.

- Consider reinforcing capacity in the administrative unit(s) supporting the Governor to enable these functions to be carried out effectively in regional governments and to reinforce interface capacity in regional governments to engage effectively with local and national administrations.

Strengthen monitoring, evaluation and accountability tools in subnational governments

- Build on the Monitoring and Evaluation Plan of the Sectorial Competences transferred to regional and local governments, with a focus on decentralised management of public utilities, to launch a robust quantitative and qualitative assessment of the impact of decentralisation and the transfer of competencies at regional and local level on improving outcomes for people and reducing inequality and regional disparities.

- In addition to the existing tools such as the Decentralisation Secretariat on the administrative dimension and RESULTA on the financial dimension, there should be a joint effort between the national and regional levels to regularly publish, and in a “user-friendly format”, performance information on decentralisation and effective service delivery.

- Strengthen transparency and accountability at the regional and local levels by, for example, ensuring that local external control institutions have sufficient capacity to carry out their duties, that human resources are appointed using the merit principle, and that they can carry out their duties free from political interference.

- Bolster efforts in this area by the Decentralisation Secretariat as well as from control bodies such as the Comptroller General’s Office. Few accountability mechanisms for regional and local authorities have been institutionalised: hence, monitor decentralisation using the various existing control, supervisory and oversight systems (including government agencies and civic groups).

- Strengthen how existing regional planning instruments (such as the concerted regional development plans) are operationalised by developing mechanisms to better link them with budgeting decisions and with national planning and policy development processes.

Strengthen local democracy, capacity building and human resources at subnational level

- Develop and extend the national Law on Civil Service Reform to the regional and local levels.

- Reinforce capacity building and training at subnational level to assure a well-prepared, competent and efficient civil service at the local level.

- Bridge the gap between the unequal level of training and knowledge at the local level by assuring the presence of the state in the most underprivileged areas of the country and in the area of training.

- As developed in the forthcoming OECD Integrity Review of Peru and in order to effectively tackle corruption at subnational levels, Peru could consider working on ensuring that national integrity policies are implemented at these levels. This requires strengthening the overall institutional capacity at the local and regional levels, especially in the areas related to political finance and its oversight, public ethics and managing conflict of interests, and internal control and risk management.
Strategic human resources management in the government of Peru (Chapter 5)

A stable and professional civil service is fundamental to government performance in all areas. Hence, the laws, policies and processes of civil service management can greatly affect a country’s ability to implement government reform successfully, achieve strategic objectives and improve service delivery to citizens. Civil service management practices that ensure merit, professionalism, stability and continuity in staffing provide the foundations for an efficient and effective public sector that can promote strong, sustainable and inclusive growth. A stable and professional civil service is a precondition for ensuring that citizens are treated fairly and equitably across the country, regardless of regional, ethnic or political affiliation. Professionalism in the civil service emphasises merit and competence. These values contribute to justice and continuity in the public administration, which in turn can determine how much trust citizens place in their government and the services it provides.

The management of Peru’s civil service is a basic building block of effective governance. The government fully recognises this: currently, its ambitious reform agenda is being implemented through a new Civil Service Law, which aims to restructure significantly the management of approximately 600,000 civil servants in 2,500 public institutions located across the country at all 3 levels of government.

The potential impact of these reforms is significant, given the scope of the issues that the reforms aim to address. Currently, civil service management is Peru is plagued by a complex multitude of employment regulations, payment criteria and human resource management (HRM) practices. The workforce has been growing fast while no workforce planning process appears to limit this growth or align it to government priorities. Furthermore, the Peruvian civil service appears to suffer from a high degree of instability at high levels, which affects the capacity and continuity needed to implement reforms and improve services. In many of the interviews conducted by the OECD during the fact-finding mission for this review, counterparts in all areas of public service modernisation discussed the perceived difficulty in working across ministries with teams that were frequently changing. It was often suggested that this high level of churn in the system negatively impacts the ability of the Peruvian civil service to develop new services or improve existing ones. In this way, the low capacity of Peru’s civil service management directly impacts the quality of services to citizens.

Peru has taken commendable steps towards addressing this situation. The new Civil Service Law, once implemented, stands to greatly enhance civil service management capacity, as well as implementing and reinforcing the need for a merit-based civil service at all levels of the civil service. Systematic adherence to basic merit-based processes and standards in key areas such as recruitment, promotion and compensation in turn creates scope to develop strategic HRM based on competencies, performance and more flexible management of the public sector workforce according to the evolving needs of the government.

SERVIR is charged with overseeing the design and implementation of Peru’s ambitious civil service reforms. These reforms are a foundational element of Peru’s public management modernisation process and are guided by the following objectives:

- create a results-oriented civil service focused on citizens
- professionalise the civil service through meritocratic approaches to recruitment, retention and job progression
gradually achieve a consolidated single employment framework, harmonising the terms of employment, compensation, responsibilities and rights of civil servants

- consolidate the state’s HRM system and its key actors; have instruments and modern management techniques and strengthen HR offices.

Peru faces particular administrative challenges in the area of workforce stability, whether in the national or subnational public administration, as churn of the senior leadership cadre appears to generate instability throughout the civil service: senior managers appear to change their teams and responsibilities at a rate that impedes long-term progress and reform continuity. While a controlled and structured mobility of senior leadership is a goal of many OECD countries, this is done within a structured development framework, not at the will of politicians. OECD data confirms that in only 13 of 34 member countries, the top level of the civil service is systematically replaced after an election. Below the second level of leadership, only three OECD countries see significant change. Comparative numbers are unavailable for Peru, but discussions with a range of interlocutors in national, regional and local governments suggest that turnover of managers in the civil service is a fundamental challenge that goes below the top level leadership and whose impact is felt beyond that of the election cycle.

This is in part due to the fact that the large majority (more than 70% of those at the first and second management level below the minister) of Peru’s senior managers are “positions of trust,” appointed by the political level without a transparent, merit-oriented process and without any guarantees of stability in their employment. This generates a culture of loyalty to the political level as opposed to a professionalised public management cadre working in the general public interest with the skills necessary to drive progress in Peru’s public services. A 2008 SERVIR study on the state of public management in the country identified the following issues:

- poor management capacity to perform the managerial function
- inadequate organisation, inclusion and administration of managers
- unappealing managerial function to attract and retain talent
- limited and poor assessment of managers
- unstable context linked to poor political-institutional support.

Peru’s civil service reforms aim to address these issues and signal an important commitment to the principles of good governance espoused by OECD countries. Once implemented, the new Civil Service Law will support governance reform in all areas by increasing the capacity and stability of the civil service, particularly at senior levels. However, implementing the law will be complex, not only because of the breadth of reforms the law includes, but also because of the scope of the law – which covers over 2,500 public entities at the national, regional and local levels. This will be a very significant challenge for SERVIR – and one that it cannot be expected to implement alone.

The good news is that the reforms embedded in the new Civil Service Law put Peru on a path that follows good practice in OECD countries. The themes of the reforms are common across OECD countries, which have built a great deal of experience through trial and error which can be leveraged to support Peru. The big challenge Peru will face in the coming years will be the implementation of the reform in a way that ensures consistency of application while taking into account the need for flexibility, particularly at the
subnational levels of government. This is no easy task, and will test the country’s ability to sustain a reform through to its full implementation.

A comparison of Peru’s current reform initiatives with OECD experience suggests that Peru could consider the following recommendations to build a stable and professional civil service in Peru.

**Box 0.4. Recommendations on human resource management**

**Ensure political support for the implementation of Law 35007 (the new Civil Service Law)**

- Following the 2016 Presidential and legislative elections, it is important that the incoming government understand the deep value that these reforms have for the country and sustain them with all their force.
  - This implies publicly recognising the importance of continuing the reforms resourcing SERVIR to adequately design, support and monitor the implementation process, and ensure power to monitor progress and enforce compliance with the new legislation and regulations.

**Design a governance structure to implement the reforms**

- An ideal governance structure should concentrate accountability and responsibility for oversight and success of the reforms with a particular minister.
  - In this connection, SERVIR could fall within the remit of the Vice-Minister of Strategy and Modernisation, a position that Chapter 2 recommends creating in the PCM to cluster PCM entities responsible for national strategy-setting, including CEPLAN, the SGP and the Decentralisation Secretariat.
  - Of course, SERVIR’s institutional autonomy would need to be preserved under this reform. The point of recommending it, though, is to ensure that the civil service reform agenda is mainstreamed within the government’s main national strategic development planning and is fully reflected in the co-ordination efforts between CEPLAN, the SGP, the Decentralisation Secretariat and the MEF so that the reform agenda is funded properly and its impact is fully assessed as part of integrated national strategy and budget performance monitoring for results at all levels of the public administration, including whether improvements to civil service capacity, professionalism, merit and competence at the subnational level are, in fact, leading to better service design and delivery that improve outcomes for citizens and businesses.

- SERVIR should be supported by a management board to engage senior managers as allies in the process, and assign collective responsibility for successful implementation. A close relationship will need to be maintained between SERVIR and the MEF to oversee effective resource allocation to implementation of the law. At the human resource office (HRO) level, networks can help to support and sustain implementation.

**Continue to pay special attention to the development and management of senior managers**

- This could include special arrangements for more centralised recruitment and selection of senior managers, that could be located within SERVIR as the system is initially implemented.
Box 0.4. Recommendations on human resource management (continued)

- In parallel, SERVIR should work with entities and their HROs to build their capacity to run their own merit competitions. Once entities have achieved a certain threshold of capacity that meets the criteria established by SERVIR, and have a proven track record in managing merit competitions at the career level, SERVIR should certify them to begin their own recruitment processes and monitor closely for compliance.

- This could be supported by reinforcing the senior managers’ competency framework as a management tool, linking it to development and performance management. Performance indicators could be embedded within the three-year contract positions for senior managers to stress performance orientation and accountability.

- SERVIR could play a key role in the performance assessment process of senior managers so as to ensure meritocracy and limit the politicisation of non-political appointees.

Communicate often and build support networks

- The ultimate success of the reform will depend on each civil servant deciding that it is in his/her own best interest to join the new civil service regime. This means that ultimately civil servants must see SERVIR and the reform it represents as a positive entity deserving of their trust.
  - Clear and honest information based on civil service values and public impact need to be made available, and networks of supporters identified for their dissemination.
  - Likewise, communications outward to the general public are essential to show the progress of the reform, to ensure sustained support and public pressure for the reforms, and to help improve the image of the state and its civil servants in the eyes of the public.

Reinforce the need for a performance-oriented civil service

- Reinforce the role of performance assessments in achieving a performance-oriented civil service. The new performance management regime needs to be carefully designed with a high level of transparency to promote effectiveness and confidence.
  - The new system could be implemented in a phased approach, with awards and sanctions implemented in later stages once employees and managers alike have gotten used to using the tools.
  - Successful implementation will also require a significant investment in the training of all public managers who conduct performance assessments and use the performance tools. This can help to ensure an even and consistent implementation, and effective use of the tools.

Design tools and processes for effective monitoring and evaluation

- These could include internal monitoring carried out by SERVIR, with clear and transparent indicators that are collected and shared publicly. This can help to sustain momentum for the reform over the medium term. Indicators should be collected and updated on a regular basis (e.g. quarterly) and could be used to convene the network of HROs to discuss progress.
Box 0.4. Recommendations on human resource management (continued)

- This could be complemented by an external assessment of the implementation of the legislation. An annual report to the parliament on the implementation process could help to ensure that the reform maintains its political visibility while also applying pressure to show progress and results.

- A larger review in 2020 should also consider next steps in HRM reform for Peru’s civil service. These processes need to be carefully co-ordinated with the MEF, and the DG of public revenue should participate in evaluation and review processes.

Use performance assessment information to regularly adjust policies, processes and tools

Build capacity and skills for iterative and flexible design approaches

- Emphasise learning by doing, adjusting on the fly.
  - These innovation methods could help to test and prototype tools, such as the new performance management systems, on small groups before expanding them to the wider civil service.
  - This could also provide a useful opportunity to engage reform supporters and reform sceptics (e.g. union representatives) early in the design process, giving them an opportunity to actively contribute to the building of a new civil service in Peru.
  - SERVIR could also thoroughly evaluate the experience of the first group of entities to undergo the transformation and use this information to revisit the process, tools and timelines, and improve the chances of reform success.

Ensure the relevance and applicability of reforms at the local level

- The challenges of implementing the reforms in regions and municipalities stands to increase significantly due to geographical distance, mistrust in some regions of the central government, and potentially greater use of informal employment practices in some regions and municipalities. There is indication that SERVIR’s communications strategies have not reached the local level to the same extent as they have ministries in Lima, and this may present a challenge to ensure that actors at this level are aware of the benefits of the reform and are willing to participate.
  - Consider specific strategies to monitor implementation and impact. A specific implementation, monitoring and communications strategy for these areas will be required, which emphasises SERVIR’s willingness to adapt aspects of the reform for small (20 employees and less) governments at local levels (as is provided for in the law).
  - Engage key representatives from local and regional levels early. Using their input to carefully review the processes and adjust them for local use can help to increase buy-in and trust. By bringing municipal governments into this process and empowering them to input into the design of their tools, their confidence in the reforms will likely grow.
  - It would be advisable to establish regional offices of SERVIR, and look at developing regional networks to support implementation and monitor progress.
Integrating digital government into public sector modernisation (Chapter 6)

The general approach of the government of Peru to digital government is to foster digital transformation through legal instruments and technology deployment. Significant progress has been made in establishing the necessary legal and regulatory framework to implement the government’s action plan: indeed this review deems the framework to compare favourably with international practices across OECD countries, in particular in such areas as digital signature and electronic certificates, data protection, transparency and interoperability. Yet, the consequence of adopting a rule-making, legalistic and technical approach to the development of digital government may be hindering the achievement of more strategic, integrated outcomes as the government pursues its modernisation efforts in this area.

In order for Peru to benefit from the use of digital technologies, there is a need to opt for an explicit role for a “leading” organisation and a “manager in charge” to be associated with digital government throughout the whole process. This would reflect the OECD Recommendation on Digital Government Strategies which advises governments “to provide an institution formally responsible for digital government co-ordination with the mechanisms to align overall strategic choices on investments in digital technologies with technological deployment in various policy areas.”

It is clear that the central government in Peru engages extensively in setting conditions for the other levels of government and drives mainly ad hoc developments in specific areas with a limited capacity to lead and co-ordinate government-wide strategy setting and implementation in the area of digital government, whether nationally or subnationally, consistent with the review’s findings with respect to CoG-led steering capacity more generally. Indeed, since budgetary and policy decisions are not closely linked, inconsistencies crop up between the policy and legal intent of the central co-ordination body and the actual financial allocations for project development.

The absence of a “manager in charge”, a Chief Information Officer for instance, can thus represent a serious limitation to leading the design and implementation of a coherent, whole-of-government integrated national digital strategy as part of Peru’s public administration reform agenda. Hence, the Peruvian government needs to address the challenge of designing and adopting a long-term sustainable leadership, governance and management model to design and implement digital government.

The Peruvian government has recognised the potential value of digitisation to provide better opportunities equally to all its citizens and concentrates on fighting the “digital divide”. At the same time, digital statistics in Peru on the medium term are promising. The youth literacy rate has increased to 96-98%, which is closely linked to education and the expected digital literacy level; about 98.8% of the population has a mobile phone, with Internet usage catching up to between 26.2% and 40% (2012). In the past few years, trends show that both Internet access and smartphone usage has increased in the country. Based on estimates from eMarketer, “Peru is home to the fifth-biggest Internet user market in Latin America, and will boast the fifth-fastest Internet user growth worldwide this year, trailing India, the Philippines, Indonesia and South Africa.”

While there are promising signs that the Peruvian government is building a strategy around use and facilitation of reuse of open data, “buy-in” appears limited when it comes to potential contributors to value creation (e.g. through data reuse). The efforts from the government to “raise awareness” seem reserved for highly developed regions, e.g. cities with modern digital services such as in Lima. These initial efforts are nevertheless showing
that the government and key stakeholders of the open data ecosystem have embarked on a process of co-operation. Still, more focus could be given to collaboration with the private sector.

Thus, whole-of-government institutional leadership, steering and co-ordination capacity could be strengthened in the area of digital government, including with respect to knowledge acquisition related to data management and open data policy. Data is yet to be seen as a strategic asset to support improved planning and decision making within the administration, as well as public engagement in policy making and value creation.

In light of this, the government could consider the following recommendations to design and implement digital government in a way that can help advance the government’s strategic objectives of stimulating national and regional growth, development and well-being, addressing regional disparities and meeting the service needs of all citizens, regardless of where they live.

**Box 0.5. Recommendations on digital government**

**Set digital government at the heart of the public sector reform**

- Adopt a broader concept of digital government than e-government and implement it by reformulating the current e-government strategy to integrate the use of digital government as a key strategic tool or enabler in the government’s pursuit of its overall public sector reform agenda. This would imply identifying complementarities, and ensuring alignment and mutual reinforcement between the digital government strategy and other relevant sector strategies at the national and local levels of government.

- Engage regularly and strategically with the relevant stakeholders, and all levels of government, to capture input to the further development of the digital government strategy that should establish a coherent approach towards public sector digitisation and related priorities in the various sectors and across levels of government.

- Embed a vision in the strategy that builds on a “long-term consensus” of all relevant stakeholders and supported by a coherent action plan shared across sectors and levels of government. This would help create collective commitment and facilitate a shift from isolated developments and pilot projects to joint efforts or initiatives that can be scaled up.

**Secure leadership for more robust governance, management and planning**

- Revisit the governance framework to ensure high-level commitment and support to the digital strategy. To this end, the government could create a stable institutional framework with a senior position formally responsible for setting the strategic direction for digital government (e.g. a CIO), building on the existing National e-Government and Information Technology Office in the PCM, and for setting clear roles and responsibilities for digital government co-ordination (including a mechanism to align overall strategic choices on investments in digital technologies with technological deployment in various policy areas supporting overall policy outcomes).

  - The position needs to be of a sufficiently high level to exert political and policy influence (e.g. a secretary general, on par with the heads of CEPLAN, the SGP, etc.), and be located in the centre of government (see below).

  - The CIO needs to be able to count on co-ordination mechanisms to work in close and ongoing co-operation with all of the other units of the PCM responsible for aspects of governance reform and national development strategy (e.g. CEPLAN, Secretariat for Public Governance Reform, SERVIR, Decentralisation Secretariat).
Box 0.5. **Recommendations on digital government (continued)**

- The right space and value has to be given to the National Advisory Council on Statistics (Consejo Consultivo Nacional de Estadística e Informática), gathering representatives from the civil society, the private sector and the public sector. It can play a key role in relation to the legitimacy, prioritisation and responsiveness of concrete actions undertaken to implement the digital government policy. For its functioning to be efficient, it would be necessary to set clear agendas with defined objectives and ensure good representativeness of the private sector and of civil society. This can be used to set multi-sector objectives and also help to better articulate the interaction across levels of government.

- Build an effective organisational and financial structure for digital government to mainstream the digital strategy within the government’s main multi-year development and modernisation plans to provide the methodological support for managing digital government projects across levels of government, linking policy and funding, and establishing efficient and effective implementation and performance monitoring processes. This capacity could be built around the existing National e-Government and Information Technology Office and report to the CIO within the PCM.

- ONGEI, thus transformed into a true CIO, could be included in the cluster of secretariats and entities reporting to the Vice-Minister of National Strategy and Public Administration Modernisation, if this position is created as recommended in Chapter 2 on the centre of government.

- Define and implement a robust evaluation and measurement framework for the digital government strategy that includes medium- and long-term strategic outcomes and their requisite performance targets and indicators for better service delivery that improve results for people regardless of where they live in the country, and immediate-term outputs and results indicators for project performance at all levels of government, which could ensure efficient project management and overview mechanisms, with the availability at any time of a comprehensive picture of ongoing digital initiatives to avoid duplication of systems and datasets.

- Identify funding mechanisms (e.g. FONCOMUN) to ensure adequate investments in the development of the right level of digital skills across the administration across the country.

- Procure digital technologies based on an assessment of the existing assets and inter-agency agreements to increase efficiency, support innovation and best sustain objectives stated in the overall public sector modernisation agenda.

**Pursue digitisation using a coherent, integrated approach across the country**

- Move away from isolated developments and projects and create a critical mass of good practices to share, promote and support the scaling up of successful initiatives, particularly those with a strong users’ perspective, such as mobile apps and the open data example in Miraflores municipality.

- In line with the main findings of Chapter 7 on open government, take advantage of IT to strengthen public engagement and interaction with the public. This can aim to encourage public engagement and participation in policy making, service design and delivery, e.g. of citizens, the private sector and non-governmental actors. This could include conducting early sharing, testing and evaluation of prototypes with the involvement of the expected users.
Box 0.5. **Recommendations on digital government (continued)**

- Address the shift to transactional services through proactive channel management and making information on services (e.g. on costs and time) public, more user-friendly and transparent.
- Identify key cross-cutting priority areas for the whole public sector on where to focus efforts and investments – such as high-impact services, “life events”, digital skills, ICT security, standardisation and digital inclusion.
- Support implementation of legal changes and make effective use of the key horizontal enablers (e.g. interoperability) in order to ensure a real impact on citizens’ lives through a more integrated and easily accessible administration.

**Pave the way to a data-driven public sector**

- Develop and secure the political leadership’s commitment to implement a strategy on shifting to a data-driven culture in the public sector and promoting open government data.
- Further develop the national open government data portal with the idea of making it a platform open to citizens’ contributions and facilitating data accessibility and reuse.
- Plan and execute a framework on open data, with guidance allowing the collection and publication of quality data in open formats.
- Allow and promote the production, use and reuse of open data among governmental and non-governmental actors, in order to maximise the delivery of benefits from good governance, and economic and social value perspectives.

**Open government (Chapter 7)**

The SGP in the PCM is the public body in charge of co-ordinating the implementation of all transparency and open-government initiatives (as provided by Supreme Decree No. 057-2008-PCM on the rules of procedure regarding organization and functions of the Office of the President of the Council of Ministers). Specifically, it has the function of co-ordinating the drafting and implementation of Peru’s Open Government Partnership (OGP) Action Plan and supervising the correct and uniform implementation of the standard transparency portals of all government entities.

This reflects good practice in most OECD countries, which have also identified an office, often placed in the centre of government, to co-ordinate such policies. That said, the frequent change in prime minister and consequently of PCM staff has inevitably affected the continuity of the PCM’s action, its effectiveness and impact. For instance:

- As of September 2013, according to Peru’s own Self-assessment Report of the Open Government Action Plan (*Reporte de Cumplimiento Plan de Acción de Gobierno Abierto del Perú*), only 7 of the Action Plan’s 47 commitments were fully completed, 18 were underway and 22 were in the information gathering phase (PCM, 2013). In addition, these constant changes may also explain the different approaches used to carry out the consultation phases of the different OGP action plans.
- According to Proetica, Peru’s chapter of Transparency International, “the constant change of President of the Council of Ministers and the instability of their technical staff inside the PCM has been a major cause of delays on the action plan” (Proetica, 2014).
Overall, the PCM, and the government in general, are to be praised for having kept open government as a main policy priority over the past decade, despite numerous prime ministers. That said, one of the outcomes of this instability appears to be the lack of an overall national open government vision which links the principles of transparency, accountability and participation to Peru’s broader public sector reform and overall development plan. The only exception seems to be the linkages established between open government and public sector integrity and anti-corruption policies, which are one of the key axes of all government programmes and, as such, have enjoyed greater continuity. While the SGP has purposely tried to use the OGP action plans to compensate for this lack of a government-wide vision on open government per se, the plans’ short-term nature and characteristic focus on specific initiatives do not allow them to provide the necessary strategic framework to properly guide policy design and implementation horizontally and across levels of government.

Despite limited implementation, the process that led to the drafting of the first OGP Action Plan can still be considered as a good example of participation and involvement of different stakeholders, especially from civil society. This, however, cannot be said of the second OGP Action Plan (2014-16). Initially, the process to develop it looked very much like an improved version of that used for the first plan. It was a participatory methodology that included workshops and meetings to gather inputs and suggestions on the commitments from public entities, CSOs and business associations. In addition, websites, Facebook and Twitter accounts were used extensively as communication channels to facilitate the gathering of additional contributions from those institutions that could not participate in the workshops, as well as from the general public (PCM, 2014). In some respects the design of the process was even better than that of the first plan, as it also included activities to extend its reach to the local level, as suggested by many national and international actors, through meetings in Ayacucho, Piura and San Martin. Based on these inputs, a draft was published online for public consultation.

However, the approval of this first version of the plan was delayed by a year; when it was finally adopted, in July 2015 and following a formal reprimand from the OGP Support Unit, the new version was different and covered only the period 2015-16. This second version was immediately met with numerous criticisms from CSOs, which focused not only on the delay by which the government had approved it but also on the lack of transparency and participation which characterised its design phase. Moreover, the fact that the government had removed any reference to the previously proposed creation of an authority to guarantee access to information was of particular significance for CSOs, which many considered to be a pillar of Peru’s open government agenda and a *since qua non* condition to improve the transparency and accountability of Peru’s public sector. CSOs suspended their participation in the Multisectoral Monitoring Commission as of 5 December 2014, following the unexplained refusal of the government to approve the 2014-16 OGP Action Plan and to create the above-mentioned authority.

As a result, several CSOs, supported by the Ombudsman’s Office of Peru, demanded that the plan include *inter alia* the creation of the National Authority for Transparency and Access to Public Information to implement Peru’s transparency policy, with a national and regional level jurisprudence, and with a budget provided by the MEF, and the promotion of a specific anti-corruption policy to strengthen the High-Level Anti-Corruption Commission (CAN), the regional anti-corruption prosecutors and the Anti-Corruption Observatory, instances that struggle to meet their mandated objectives. This proposal was reiterated by the Ombudsman to the government in May 2013 and August 2014, but to date has met with no reaction on the part of the government.
OECD countries have different mechanisms to monitor the implementation of their access to information legislation (authorities, parliamentary committees, executive committees, national and/or regional ombudsmen, administrative courts, etc.). While the choice of the institution ultimately belongs to the government of Peru in consultation with all relevant national stakeholders, if Peru wants effectively to improve the transparency and accountability of its public sector, it is paramount that it improves the compliance of its institutions either through the creation of a new oversight body or by formally handing this responsibility and associated powers to an existing office or institution.

Both government and CSO representatives acknowledge that the capacity of the various institutions involved to deliver against their commitments has been limited. More importantly, it appears that the value of open government initiatives has so far focused on selected areas of public sector reform, thus underutilising their potential contribution to broader societal goals and, overall, to the country’s socio-economic development. This is partly due to the lack of a broader reflection on the value added of the principles and practices of openness, transparency, accountability and citizen participation for areas such as integrity and anti-corruption, inclusive growth, territorial development, conflict prevention and resolution, etc.

The open government eco-system in most countries goes far beyond the activities included within their national modernisation strategies or OGP action plans. These practices and institutions provide good examples and concrete experiences that are often more institutionalised and have been successfully implemented for longer than their OGP membership, and should therefore be considered as an integral and fundamental part of any national vision on open government.

In the case of Peru, institutions like the Defensor del Pueblo (Ombudsman), the National Office for Dialogue and Sustainability (Oficina Nacional de Diálogo y Sostenibilidad) and the National Agreement bear testimony to the many and diverse attempts of the people and governments to promote and implement open government principles. They also constitute solid pillars on which to build a broader and more integrated national open government agenda for Peru.

In order to increase the reach, inclusiveness and effectiveness of its open government agenda, Peru should build on the good practices of the Ombudsman, of the National Office for Dialogue and Sustainability, and of the National Agreement. This would allow Peruvian policy makers to promote a more integrated national vision of what open government means for Peru and how to strategically use it to better achieve national policy outcomes. In particular, including the National Office for Dialogue and Sustainability and the National Agreement in the Multisectoral Monitoring Committee (the Ombudsman is already a member), would give them the opportunity to play a crucial role in disseminating a culture of openness and accountability and in ensuring higher implementation rates, especially at the local level.

In so doing, the government could consider the following recommendations.
Box 0.6. Recommendations on open government

**Strengthen the governance of open government**

- Define a national stand-alone open government policy to go beyond the open government components of the 2013 national modernisation strategy and its implementation plan (DS 004-2013-PCM and RM 125-2013-PCM) and provide a broader and more integrated context to the specific initiatives of the OGP action plans. This would allow Peru to develop a more detailed and specific approach on how to promote the principles of transparency, accountability and citizen participation in the country, at all level of governments, and link them to the objectives of the national or territorial development plans.

- Strengthen the co-ordination role of the Secretariat of Public Management (Secretaría de la Gestión Pública, SGP) and establish a systematic monitoring and evaluation function within it, coupled with a system of incentives/disincentives for public servants in charge of implementation of open government initiatives, especially in the area of access to information.

- Revitalise the Multisectoral Monitoring Commission (Comisión Multisectorial de Seguimiento, CMS) and consider expanding its role to turn it into a forum to discuss the country’s open government priorities (and eventual national policy), to recognise obstacles to the successful implementation of Peru’s OGP Action Plan, and to jointly identify solutions.
  - Improve its functioning by organising more meetings on a consistent basis, promoting the participation of all relevant stakeholders, instituting the requirement to provide implementation reports to the commission and the publication of minutes of each session, which can allow citizens to be better informed about Peru’s open government efforts, and CSOs and the media to play their role of watchdogs. The combined impact of some or all of these actions will have positive repercussions on the implementation of present and future OGP action plans.
  - Ensure that the institutions involved in the OGP Action Plan appoint qualified staff in charge of the implementation of their respective commitments.
  - Provide more extensive training opportunities for public officials at central and local levels on open government principles and practices.
  - Carry out large-scale awareness campaigns to inform the general population on the OGP action plans as well as the different members of the government and the legislative branch.

**Strengthen the management of Peru’s transparency and access to information framework**

- To increase the level of institutional compliance to the requirement of the Freedom of Information Law and facilitate citizens’ access to information, Peru should consider the following:
  - Improve the compliance of national institutions to the requirements of the Access to Information Law, either through the creation of an oversight body or by giving this responsibility, and relative powers and funds, to an existing institution.
  - Develop a binding regulatory framework to define incentives and sanctions for public officials in charge of dealing with access to information requests.
  - Make it mandatory to respond to every request for information in writing.
  - Set the same fee across all public institutions, or at least define binding parameters for setting it.
Box 0.6. **Recommendations on open government (continued)**

- Implement capacity to make online payments to reduce the cost incurred reaching the public entity or bank and especially if the request for information was filed online.
- Develop guidelines for the classification and declassification of information.
- Design job profiles of public officials in charge of implementing the law and base recruitment on these profiles.
- Use IT to process requests for information, monitoring their status and communicating their final outcomes to citizens.
- Design specific training modules on the right of access to public information and include them in the HRM strategy to develop the competency of the civil service, as part of the broader attempt to promote knowledge of open government principles and practices.
- Establish clear guidelines on how to address appeals and record the appeal process to monitor how these have been addressed.
- Provide specific support to regional and local administrations to publish online the information required by the Law on Transparency through capacity-building activities and the provision of the necessary IT equipment.

**Conclusion**

This assessment points to three overarching themes that cut across the governance reform subject areas covered in this review. These themes highlight their interconnected nature:

1. **There is a need to strengthen capacity and political clout** in the centre of government, notably in the small cluster of CoG units in the PCM, to bolster capacity to lead whole-of-government strategy setting and implementation, whether in terms of strategic planning, monitoring and evaluation, setting and implementing a robust digital government strategy, or doing the same in the area of open government, transparency and access to information.

2. **There is a need to reinforce co-ordination horizontally** between CoG units within the PCM, between them and the MEF, and between the CoG and line ministries, whether to strengthen the relationship between spending decisions and the pursuit of strategic policy objectives so that the government can determine whether its decision making is achieving results and improving outcomes for people, to ensure that the government’s civil service reform efforts are properly funded, or to ensure that all of these plans are implemented coherently as integral components of the government’s national development and modernisation strategies. More effective **vertical co-ordination** is required to see the decentralisation agenda through to its proper conclusion in a way that strengthens the government’s capacity to assess the performance of decentralisation initiatives as a function of reducing inequality and regional disparities, and improving outcomes for people on the ground.

3. **There is a need to strengthen the evidence base and its use in strategy setting and implementation**, notably in terms of robust performance data, to be able to monitor progress in pursuing the various strands of the government’s reform and development agendas, whether nationally or on the ground across the various
regions of the country. This implies a more integrated, multi-dimensional approach to monitoring and evaluation to enable the government to assess properly whether, for example, decentralisation initiatives in health and education are reducing regional disparities and improving outcomes for the poorest Peruvians.

The complexity involved in implementing these reform strands as integral components of the government’s national development strategy will require robust leadership from the centre, monitoring and evaluation, and feedback loops to enable the government to adjust course if the reforms are not achieving the results they were intended to achieve. This has governance implications: insofar as the incoming government chooses to pursue the advice contained in this review and in the other governance reviews being carried out under the OECD Country Programme, it will be important to mandate a responsibility centre in the CoG, for instance the SGP, to lead this process over time, to drive co-ordination across the PCM, with the MEF, with line ministries and regional governments, and to offer support and advice to key actors across the public administration as reforms are being pursued. The government could consider the final recommendation below in this regard.

**Box 0.7. Recommendation: The governance of implementing reform**

The Secretariat for Public Administration (SGP) should prepare a comprehensive strategy and briefing package for the incoming government at the level of politicians and officials to inform them of the OECD’s recommendations with a view to raise awareness and generate buy-in for a comprehensive, integrated package of reforms that the incoming government could pursue over the term of its mandate.

Peru could assign responsibility for supporting the implementation of this reform package to a dedicated project office (perhaps styled as a Delivery Unit) located within the PCM.

- The project office could be made up of civil servants seconded from the key secretariats in the PCM and the MEF, as well as from key programme ministries engaged in decentralisation. The personnel selected for the project office should be of sufficiently senior rank to enable them to engage their respective leadership effectively.

- Reporting on progress in implementing reforms to the Council of Ministers (notably to its recommended Standing Committee – see recommendations in Box 0.1) could occur on a regular basis, either bi-annually or annually, on both outputs and outcomes being achieved through the reform implementation process. This performance information should inform the PEDN and budget planning.

- With the approval of the Council of Ministers, the PCM/Delivery Unit could report annually on progress to the Congress and the people of Peru.

- The relevant senior civil servants could be held accountable through their annual performance appraisal process for the implementation of reform plans and actions approved by the Council of Ministers.
Notes
