



## PERU SECOND DPL WITH A CAT DDO (P149831)

LATIN AMERICA AND CARIBBEAN | Peru | Social, Urban, Rural and Resilience Global Practice Global Practice | IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 3 | ARCHIVED on 25-Aug-2016 | ISR24450 |

Implementing Agencies: Unidad Coordinación Préstamos Sectoriales DUCPS-MEF

## Key Dates

### Key Project Dates

Bank Approval Date:12-Mar-2015

Effectiveness Date:22-Jun-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:12-Mar-2018

Revised Closing Date:12-Mar-2018

## Program Development Objectives

Program Development Objective (from Program Document)

The development objective of the proposed operation is to strengthen the legal and institutional framework to contribute toward the reduction of Peru's fiscal and physical vulnerability to disasters.

## Overall Ratings

| Name                                 | Previous Rating | Current Rating |
|--------------------------------------|-----------------|----------------|
| Progress towards achievement of PDO  | ● Satisfactory  | ● Satisfactory |
| Overall Implementation Progress (IP) | ● Satisfactory  | ● Satisfactory |
| Overall Risk Rating                  | ● Low           | ● Low          |

## Implementation Status and Key Decisions

The Program was approved by the Bank Board on March 12, 2015, and it was declared effective on June 22, 2015. The GoP is implementing the Program in a satisfactory manner and has shown steady progress towards achieving the PDO in three policy areas included in the policy matrix. This USD400m operation is part of a broad financial strategy against natural disasters being implemented by the Ministry of Finance (MEF) and includes the creation of the Directorate of Risk Management and additional contingency loans from international organizations such as IADB (US\$300m), CAF (US\$300m) and JICA (\$100m).





## Risks

### Systematic Operations Risk-rating Tool



| Risk Category  | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance                                     | ● Low              | ● Low           | ● Low          |
| Macroeconomic  | ● Low              | ● Moderate      | ● Moderate     |
| Sector Strategies and Policies                               | ● Low              | ● Low           | ● Low          |
| Technical Design of Project or Program                       | ● Low              | ● Low           | ● Low          |
| Institutional Capacity for Implementation and Sustainability | ● Moderate         | ● Moderate      | ● Moderate     |
| Fiduciary  | ● Low              | ● Low           | ● Low          |
| Environment and Social                                       | ● Low              | ● Low           | ● Low          |
| Stakeholders   | ● Low              | ● Low           | ● Low          |
| Other  | --                 | ● Low           | --             |
| Overall  | ● Low              | ● Low           | ● Low          |

## Results

### Results Indicators

► Annual budgetary performance report on PLANAGERD implementation under the results-based budgeting programs (Text, Custom)

|       | Baseline    | Actual (Previous)   | Actual (Current)   | End Target   |
|-------|-------------|---|--|--|
| Value | None        | The first budgetary performance report is currently under preparation. In addition, in February 2015 the redesign of the PP068 to be aligned to the PLANAGERD was approved. | The first budgetary performance report for 2015 is under preparation, based on information from PP068 and on the use of resources for rehabilitation and reconstruction from other sources of financing. | Annual budgetary performance reports published for 2016 and 2017 |
| Date  | 20-Jan-2015 | 11-Nov-2015   | 30-Mar-2016  | 12-Mar-2018  |

► Number of regional governments that have approved regional plans for the prevention and reduction of disaster risk (Text, Custom)

|       | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0           | 0                 | 0                | 15/25       |
| Date  | 20-Jan-2015 | 11-Nov-2015       | 30-Mar-2016      | 12-Mar-2018 |

#### Comments

To date the regional government of San Martin and municipality of Cusco are in the process of elaborating regional plans for the prevention



and reduction of disaster risk. CENEPRED has also provided technical assistance to the regional governments of Loreto, Cusco, Ayacucho, Tacna and Puno in the development of these regional level plans. It is estimated that by end of 2016 two (2) of these plans will be approved.

► Share of seismic risk reduction in school infrastructure in the Lima Metropolitan Area as a result of PRONIED implementation (Text, Custom)

|       | Baseline   | Actual (Previous)                   | Actual (Current)                    | End Target    |
|-------|--|-------------------------------------|-------------------------------------|---------------|
| Value | Risk Indicator (RI)=20.3 for a portfolio of 1,969 school facilities in the Lima Metropolitan Area) | There has been 2.9% risk reduction. | There has been 3.2% risk reduction. | 10% reduction |
| Date  | 20-Jan-2015  | 11-Nov-2015                         | 30-Mar-2016                         | 12-Mar-2018   |

Comments

MINEDU carried out interventions in 393 school facilities under Plan Lima, with a total investment of S/.87.4m. These interventions include, demolition, temporary classrooms and refurbishment. There has been 3.2% in risk reduction

► Share of eligible low-income households covered by the Grant for Protection of Housing Vulnerable to Seismic Risk (Text, Custom)

|       | Baseline    | Actual (Previous) | Actual (Current) | End Target                       |
|-------|-------------|-------------------|------------------|----------------------------------|
| Value | 0           | 5%                | 15%              | 80% of 8,303 eligible households |
| Date  | 20-Jan-2015 | 11-Nov-2015       | 30-Mar-2016      | 12-Mar-2018                      |

Comments

999 grants have been disbursed (estimated 15% of the expected results for 2018) for a total of S./ 13,131,000. The MVCS implemented a communication strategy to promote the grant, and as of march 2016 there are 29 technical entities that can implement retrofitting works. It is expected that grant will expand to other regions which have seismic microzonation maps. MVCS is working with the CISMID from the National Engineering University (UNI) and other technical institutions to identify existing information to define the priorities for expanding the grant.



► Number of approved studies for flood risk prevention and mitigation in watersheds (Number, Custom)

|       | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00        | 0.00              | 0.00             | 4.00        |
| Date  | 20-Jan-2015 | 11-Nov-2015       | 30-Mar-2016      | 12-Mar-2018 |

Comments

Given the focus on preparation and prevention activities for el El Nino phenomenon, no additional progress has been made since the results reported in November 2015. MINAN was put in charge of the **Consejo Nacional de Gestion del Riesgo del Fenomeno del Niño CONAGER-FEN**. In this context the National Water Authority (ANA) has invested S/ 14.6m in cleaning and removal of residue in 21 streams at the national level. In Lima it invested S/ 21.8m in 9 streams to protect the population from huaycos (landslides).

► Number of National Government sectors that approve sector guidelines for the post-disaster reconstruction process (Number, Custom)

|       | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00        | 0.00              | 0.00             | 6.00        |
| Date  | 20-Jan-2015 | 11-Nov-2015       | 30-Mar-2016      | 12-Mar-2018 |

Comments

The proposal for the Reconstruction process guidelines were developed by the Secretariat for Disaster Risk Management, CENEPRED and MVCS. The guidelines were approved on July 18, 2016 through ministerial resolution 147-2016-PCM. CENEPRED has also been advancing, with support from CEPAL, on methodological guide for the evaluation of disasters focused on damage, losses and additional costs. The objective of this guide is to generate post-disaster evaluation information that can be useful in the reconstruction process.

► Number of National Government agencies with approved operational continuity plans in the event of disasters (Number, Custom)

|       | Baseline    | Actual (Previous) | Actual (Current) | End Target  |
|-------|-------------|-------------------|------------------|-------------|
| Value | 1.00        | 0.00              | 7.00             | 37.00       |
| Date  | 20-Jan-2015 | 11-Nov-2015       | 30-Mar-2016      | 12-Mar-2018 |

Comments

Based on the guidelines for operational continuity of public entities approved in February 2015, the Secretariat for DRM had working sessions with national entities where timelines were defined for the development of their continuity plans. To date 7 entities have these plans finalized (MEF, MINSA, IGP, SENAMHI, CEPLAN, CENEPRED, ESSALUD), and another 60 entities have presented their timelines.



► Policies and procedures for the financing of post-disaster rehabilitation and reconstruction processes (Text, Custom)

|       | Baseline    | Actual (Previous)  | Actual (Current)   | End Target                   |
|-------|-------------|--|--|------------------------------|
| Value | None        | The protocols and procedures for financing post-disaster rehabilitation and reconstruction processes is being discussed, in particular a document focused on financing emergency and rehabilitation, by the Risk Committee within the MEF. | The protocols and procedures for financing post-disaster rehabilitation and reconstruction processes are being discussed. The MEF has discussed a document focused on defining the rules and sources of financing for emergency and rehabilitation, and this will be shared through a presentation with the PCM. | An Operation Manual approved |
| Date  | 20-Jan-2015 | 11-Nov-2015  | 11-Nov-2015  | 12-Mar-2018                  |

## Overall Comments

## Data on Financial Performance

### Disbursements (by loan)

| Project | Loan/Credit/TF | Status    | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-----------|
| P149831 | IBRD-84780     | Effective | USD      | 400.00   | 400.00  | 0.00      | 0.00      | 400.00      | 0%        |

### Key Dates (by loan)

| Project | Loan/Credit/TF | Status    | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P149831 | IBRD-84780     | Effective | 12-Mar-2015   | 06-May-2015  | 22-Jun-2015        | 12-Mar-2018        | 12-Mar-2018       |

## Tranches

### Restructuring History

There has been no restructuring to date.

### Related Operations



There are no related projects.

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