

Peru
Boosting Human Capital and Productivity Development Policy Financing
with a Deferred Drawdown Option
and
Public Expenditure and Fiscal Risk Management Development Policy Financing
with a Deferred Drawdown Option

Chair Summary*

February 11, 2016

Executive Directors approved the Peru Boosting Human Capital and Productivity Development Policy Financing (DPF) with a Deferred Drawdown Option in the amount of US\$1.25 billion. They also approved the Peru Public Expenditure and Fiscal Risk Management DPF with a Deferred Drawdown Option in the amount of US\$1.25 billion. Directors acknowledged the sound macroeconomic and structural policies in Peru over the last decade and the significant advances in shared-prosperity and poverty reduction. Directors welcomed that both operations support Peru's commitment to comprehensive reforms, and acknowledged the value of both operations to help manage the risks stemmed from external shocks on Peru's medium-term financing plan.

With respect to the Boosting Human Capital and Productivity operation, Directors supported the authorities' objective of boosting productivity and commended the reforms taken with the aim of: (i) enhancing the education policy framework to enable better quality of skills, (ii) facilitating the entry, operation, and exit of firms; and (iii) reducing transaction costs in trade. Directors underscored the importance of reducing inequalities in educational opportunities between income groups, regions and genders.

With respect to the Public Expenditure and Fiscal Risk Management operation, Directors supported the authorities' objective of improving: (i) the management and reporting of public expenditures in subnational governments; and (ii) the Government's legal and institutional framework for public-private partnerships (PPPs). Directors acknowledged that the focus of this operation on policy changes with long-term impact supports policy and implementation continuity beyond the financing option for the incoming administration.

More broadly, Directors encouraged authorities to continue improving the efficiency and effectiveness of public expenditure and financial management. They emphasized the need for the World Bank Group to support the authorities on further deepening and broadening reforms in these areas through supervision of the operations as well as other lending and non-lending services, including technical assistance. Finally, Directors noted the importance of sharing and disseminating experiences and lessons of these operations with other countries and regions.

*This summary is not an approved record.