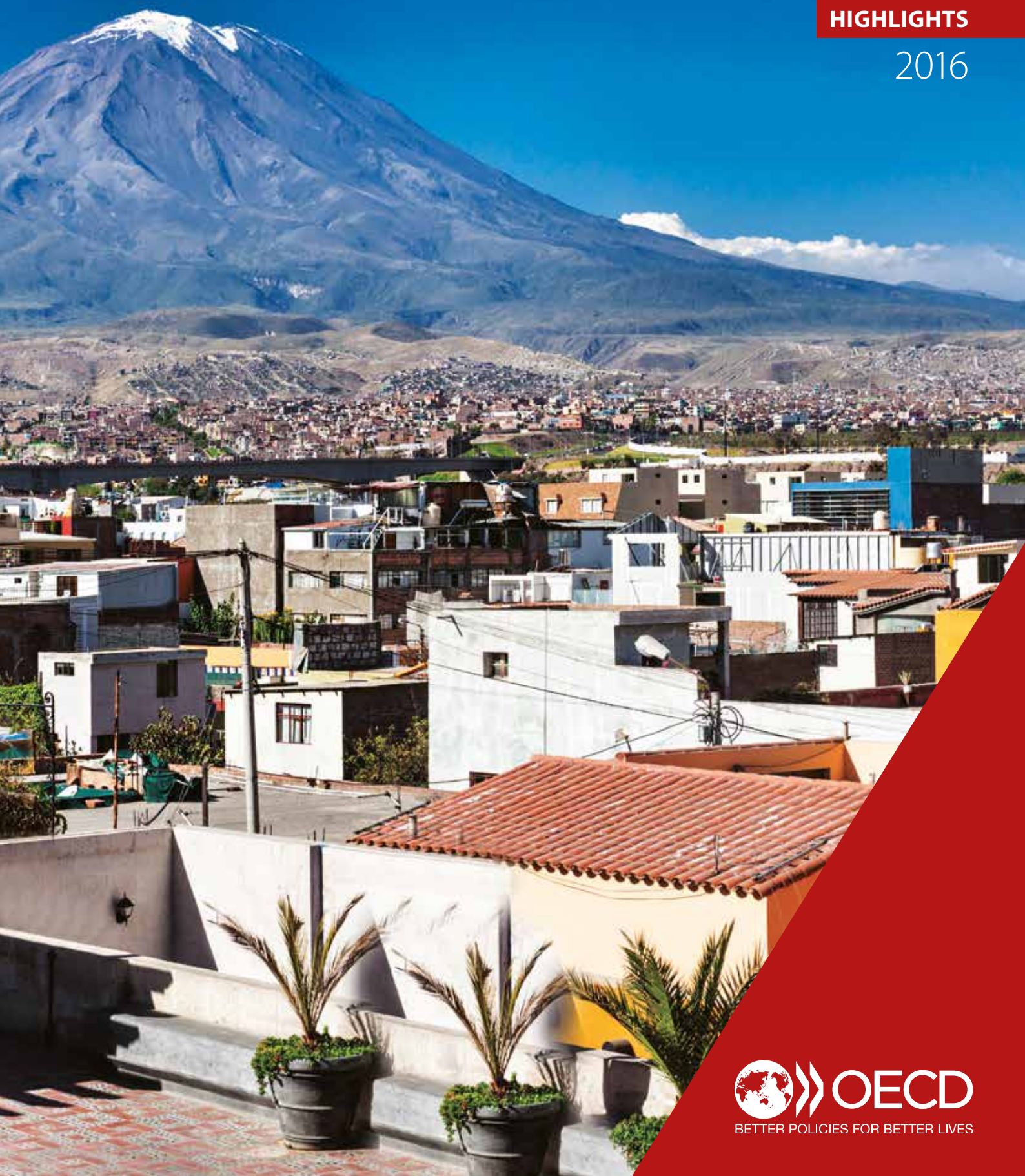


Public Governance Reform

Peru

HIGHLIGHTS

2016





Peru Country Programme

OECD Secretary Angel Gurría with President Ollanta Humala (October 2015). Lima (Peru).

The OECD Peru Country Programme was launched by the OECD Secretary-General, Mr. Angel Gurría, and the President of Peru, Mr. Ollanta Humala, on 8 December 2014. The Programme includes policy reviews, implementation support focussed on Peer-driven knowledge-sharing, capacity-building projects, participation in OECD Committees, and adherence to selected OECD legal instruments. The Programme enables the sharing of OECD standards and good practices with Peruvian authorities. It suggests priorities for future reform, and provides Peru with the opportunity to learn from the experience of OECD countries, many of which face challenges and opportunities similar to Peru's.

The Programme is organised around five key policy pillars:

- **economic growth**
- **public governance**
- **integrity and anti-corruption**
- **human capital and productivity**
- **environment**

A total of fourteen OECD policy reviews are being carried out under these thematic pillars. This Highlights Brochure focusses on **public governance**, including integrity and anti-corruption, and presents an integrated assessment of the five policy reviews that address public governance reform. This Brochure presents key facts, findings and recommendations from:

- **The Public Governance Review of Peru (PGR)**, which identifies where Peru's government performs well and where it could improve performance in the design and delivery of strategic policy and public services in a way that sustains better outcomes for people and businesses over time.
- **The National Territorial Review of Peru (NTR)**, which provides an analysis and policy guidance to Peru's national and sub-national governments as they seek to strengthen regional development policies and governance, and lift the productivity and competitiveness of cities and regions.
- **The Regulatory Policy Review of Peru (REG)**, which aims to support Peru in developing and implementing good regulatory practices and assist it in improving regulatory quality to foster competition, innovation, and economic growth while pursuing important social policy objectives.
- **The Public Sector Integrity Review of Peru (IR)**, which provides Peru with strategic advice on how to enhance its public-sector integrity framework based on a comprehensive analysis of its structures, instruments and processes to promote a cleaner and more transparent public sector.
- **The Public Procurement Review (PPR)**, which provides an assessment of Peru's procurement system and proposes recommendations to address implementation gaps, to encourage a strategic and integrated use of public procurement and to improve transparency, integrity, efficiency and accountability in the system as well as the falling price of commodities.



Anchoring public governance reform in the socio-economic context of Peru

Over the past fifteen years Peru, has enjoyed a period of relative political and economic stability. Millions of Peruvians have overcome poverty and have benefited from increasing opportunities afforded by socio-economic progress. Levels of human development and of GDP per-capita have been rising while income inequality has been falling. Socio-economic inequalities remain high when compared to OECD standards, however, and poverty is becoming more spatially concentrated. This is putting pressure on the Peruvian state to make growth more inclusive¹.

PERU'S MAIN RECENT ACHIEVEMENTS²

- **Strong macroeconomic performance and resilience.** Consistent economic growth of 5.3% on average over 2000-2014 has made Peru one of the fastest-growing Latin American economies. This growth is well above the regional average of 3.1%. In the context of a sluggish global economy, the Peruvian economy grew at a rate of 2.4% in 2014 and 3.3% in 2015 (World Bank).
- **Growing GDP per-capita and declining poverty levels.** This stable economic growth has resulted in a long-term expansion of GDP per capita from 1,180 USD in 1990 to 1,960 USD in 2000 and 6,594 USD in 2014, and in declining levels of poverty, from 56% of the population in 2005 to 24% in 2013. Peru's INEI statistics agency reports the level declining further to 22.7% in 2014. In 2012 3.0% of Peruvians lived below 1.25 USD per day, compared to 7.8% in 2005 and 15.8% in 1999.
- **An emerging middle class and increasing levels of human development.** Equally impressive has been the development of a rapidly growing middle class which in 2012 constituted 34.3% of the population, up from 12.28%

in 2000, along with higher levels of human development: life expectancy at birth rose from 60.1 years in 1980 to 74.8 years in 2013, while Peru's Human Development Index improved from 0.595 to 0.737 over the same period (compared to an OECD average of 0.887 in 2013).

- **Decreasing income inequality.** Though less significant than the decrease in poverty, the decrease in income inequality has followed a similar pattern, consistent with regional changes across Latin America. The Gini coefficient dropped from 0.56 in 1998 to 0.45 in 2013 (INEI reports 0.44 in 2014). That said the level of income inequality remains significantly higher than the OECD average (of 0.32 in 2012).

MAIN SOCIO-ECONOMIC CHALLENGES³

- **Sustaining high levels of economic growth.** As is the case in other economies which have joined the group of "upper-middle-income" countries, Peru is facing the challenges and opportunities associated with diversifying its economy and sources of economic performance as well as the falling price of commodities. Peru thus needs to optimise its potential to create innovative drivers



of development beyond its current model that relies heavily on unskilled and semi-skilled labour, capital accumulation and its commodity exporting sector.

The informal sector is sizable, estimated between half and two-thirds of total employment, and points to relatively low levels of productivity with a significant share of the population employed in low-productivity industries.

- **Tapping growth potential in all regions.** Although Lima is a strong contributor to the national economy, it is underperforming considering its economic potential, affected by problems associated with overcrowding of public infrastructure and services, and rapidly expanding informal neighbourhoods on its periphery. Poverty is concentrated in peri-urban and rural areas, and urban-rural linkages are weak, which means there is untapped potential for growth in these areas.
- **Reducing ethno-cultural poverty and inequality.** Persistent socio-economic inequalities among Peruvians of different ethno-cultural background underpin regional disparities and can challenge the formulation of effective policy solutions to address them. The indigenous population is especially vulnerable to poverty and 80.9% of indigenous people are concentrated in rural areas. Ethnic and gender-related differences in income and socio-economic opportunities persist. Women’s participation in public life can be significantly improved; for example, 66.1% of adult men achieved at least a secondary level of education compared to 56.3% of women

GOOD GOVERNANCE IS CRITICAL TO ENHANCING CAPACITY TO ADDRESS THESE CHALLENGES

These challenges require concerted efforts among state and non-state actors to define, implement and measure the performance of policies to tackle them

Peru has embarked on an ambitious medium-term development agenda. Peru’s National Development Plan *Plan Bicentenario: El Peru Hacia el 2021* includes six strategic axes, as shown in the figure below, that define key development goals to be achieved over the ten-year planning period:

- **Human rights and human dignity**
- **Opportunities and access to services**
- **State and governance**
- **Economy, competitiveness and employment**
- **Regional development and infrastructure**
- **Natural resources and the environment**

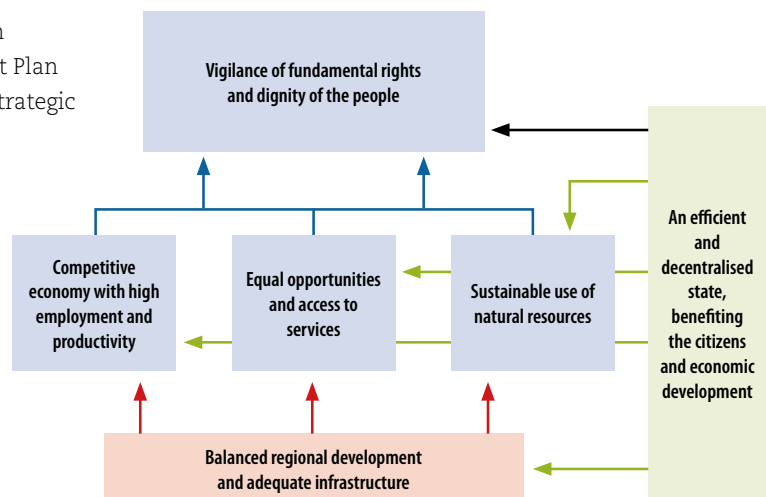
This brochure clusters the OECD’s key public-governance findings and recommendations under the following three inter-related themes:

- **Improving lives for all Peruvians: better policies and services for more inclusive growth**
- **A public administration that works better for all Peruvians: more responsive and accountable government**
- **Decentralisation for more inclusive growth: better governance for more competitive and resilient regions and cities**

These OECD reviews show that Peru’s current public governance, while highlighting practices that meet or exceed OECD standards (notably some aspects of the Ministry of the Economy and Finance’s approach to performance-based budgeting), could be improved over the coming years to position Peru to strengthen its socio-economic performance and international competitive position. This could enhance Peru’s capacity to achieve the strategic policy goals for more inclusive national growth that the Government has defined for itself and the country.

The advice presented here reflects best practice in OECD countries and aims to launch a medium-term transformation in Peru’s approach to public governance: the OECD presents this advice in the spirit of it standing ready to accompany Peru in implementing the recommendations the Government chooses to accept.

Figure 1: JOINT STRATEGY ON NATIONAL OBJECTIVES



Improving lives for *all* Peruvians: Better policies and services for more inclusive growth

The socio-economic challenges faced by Peru are in part the result of historic and structural weaknesses in the Peruvian governance system. To address them effectively, the Government of Peru can enhance its potential to implement its strategic policy agenda by making further progress in improving public governance. These improvement areas broadly reflect good-governance practices in OECD countries that are successfully addressing the challenges facing Peru:

- More inclusive state institutions that work together in a co-ordinated fashion through effective leadership from the Centre of Government, while engaging more systematically with subnational governments and citizens at all stages of the policy-making cycle, can help improve strategic planning, evidence-based policy-making and service design and delivery in a way that meets the needs of citizens in all regions of the country.
- Building a culture of integrity, transparency and accountability across the public sector can bolster public trust in state institutions and sustain greater socio-economic performance over time.
- An integrated whole-of-government regulatory policy that fosters evidence-based rule-making while reducing regulatory burden can drive further development and inclusive growth.
- A place-based approach to regional development can give effect to the country's decentralisation agenda by enabling cities and regions to unlock their growth potential.

DEFINING FEATURES

- The Government of Peru is a Presidential Regime with a President of the Republic elected with a 5 year mandate and is supported by the Council of Ministers headed by the President of the CM or "Premier". The PCM acts as a whole-of-government co-ordination mechanism. This role is complemented by that of the Ministry of Finance and the Economy (*Ministerio de Economía y Finanzas – MEF*) that plays a key role in ensuring budgeting efficiency and programmatic coherence government-wide.
 - The PCM, leading planning co-ordination, and the MEF, in charge of budgeting and programming coherence, together constitute the Centre of Government (CoG) in Peru; they advise the Head of State and the Government on national strategic development policy, decentralisation, the country's fiscal framework and spending performance under the National budget.
 - The MEF adopted performance-based budgeting in 2007, a public management strategy that links the allocation of resources to measurable outputs and outcomes related to the well-being of the population.
- Peru's National strategic framework for public-governance reform consists of cross-cutting whole-of-government public-sector modernisation plans to be implemented by 2021. The current plan aims to improve public management with a focus on improving results for society through better service-delivery to citizens and businesses.
- The *Acuerdo Nacional* is a permanent consultative body created in 2002 and mandated to define, on a consensus-building basis, long-term State reform objectives and policies. It is recognised as one of the pillars of democratic governance in Peru.
- The Government recognises the importance of building a professional civil service for improved governance; it has adopted a new civil service law and a comprehensive human resources management strategy.
- Several institutions work to improve the quality of regulations, most notably the MEF, the PCM and the Ministry of Justice, while a range of institutions carries out specific regulatory tasks.
- The decentralisation process has given important functions in terms of investment, public service delivery and economic development to regional and local governments; turning them into one of the pillars of the public action.
- With the adoption of a new public procurement law, Peru has recently launched a reform of the public



procurement system, which is managed by MEF, the Government Procurement Supervising Agency (OSCE) and a central purchasing body (*Peru Compras*, PC). PC aims at optimising national procurements through efficient systems and procedures, taking advantage of technology and economies of scale.

- The recent reform of the public procurement system in Peru aims at transforming the system from one characterised by excessive formal requirements and complex tendering processes to one that prioritises results over procedures and improves transparency, integrity, efficiency and accountability.

KEY CHALLENGES

Co-ordination across the central government and between levels of government to pursue strategic objectives faces institutional bottlenecks and lacks focus

- **Persistent institutional silos and co-ordination challenges limit the state’s capacity to pursue its strategic objectives effectively**, achieve results for people, and enhance its transparency and accountability; this undermines citizens’ trust in government.
- For example, the PCM consists of numerous secretariats and commissions, only seven of which exercise whole-of-government co-ordination functions:
 - The Centre for National Strategic Planning (*CEPLAN*) manages the National Strategic Planning System. It formulates the National Strategic Development Plan (*Plan estratégico de desarrollo nacional – PEDN*).
 - The Co-ordination Secretariat (*Secretaría de coordinación*) co-ordinates and monitors the implementation of the Government’s multi-sector policies, programmes and projects, notably by supporting the Vice-Ministers’ Coordination Committee (*VCC*).
 - The Public Management Secretariat (*Secretaría de Gestión Pública – SGP*) manages the Government’s public-administration modernisation agenda.
 - *SERVIR*, the National Civil Service Authority, co-ordinates the design and implementation of the Government’s civil service reform strategy.
 - The Decentralisation Secretariat (*Secretaría de Descentralización DS*) leads and manages the National decentralisation agenda.

- The High-Level Commission against Corruption (*CAN*) manages Peru’s national integrity policy and co-ordinates the Regional Anti-corruption Commissions (*CRAs*) in each region.

- 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.

● **With at least twelve additional units whose mandates are unrelated to leading the co-ordination of whole-of-government strategy-setting and implementation, the PCM is thus unwieldy, with too many different mandates under its responsibility.** In practice it faces difficulties in exercising its strategic co-ordination role effectively both horizontally across the central government and vertically with sub-national governments. Most of the areas covered by the OECD governance reviews illustrate this challenge, including integrity policy, open government initiatives, territorial development, digital government and the regulatory system. For instance:

- Insufficient central and intergovernmental co-ordination of Peru’s arrangements to promote integrity, along with limited capacity in the *CAN*, hinders the ability of the Peruvian Government to promote a culture of integrity across the entire public sector.
- A fragmented regulatory landscape, characterised by scattered responsibilities, uneven efforts across institutions and an absence of oversight pose challenges to improving regulations. With some exceptions, this is leading to a regulatory framework of unchecked quality that poses unnecessary burden on citizens and businesses.
- *ONGEI* in theory exercises a central co-ordination function. Yet, in practice, its actual capacity to deliver its whole-of-government mandate appears to be limited.
- Insufficient co-ordination across levels of government in territorial development policy poses challenges to a balanced and equitable development across Peru’s diverse regions and local municipalities and hampers the effectiveness of the decentralisation process launched in 2002.
- The Government has articulated several national strategic plans/agendas for the development of Peru, the most relevant of which is the *Plan Bicentenario: El Peru hacia el 2021*. These plans also include the *Agenda*

*de Competitividad 2014-2018, the National Plan for Productive Diversification and the National Strategic Export Plan PENX. **Yet these plans are neither linked together, nor are they integrated with budgetary instruments. And while these plans aim to tackle key challenges in Peru, they are not binding, and the strategic objectives in these plans are neither prioritised nor co-ordinated in a coherent fashion.***

- The Government has made important efforts over the last decade to improve the link between budgeting and strategic planning, in particular at the institutional level. That said **co-ordination between PCM and MEF –and with the lower levels of government- needs to be reinforced to give full effect to these efforts so that spending performance can be used to assess whether national and regional strategic planning objectives and results are in fact being achieved.**
 - Despite robust performance-based budgeting, the limited use of evidence in policy-making, service design and delivery and the limited linkages with National strategic planning hinder the ability of the government to achieve results and track outcome improvements for citizens.
- The Government of Peru adopted performance-based budgeting under the leadership of the MEF's Budget Directorate 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 public entities and agencies.
- However, strategic and operational goals could be better linked to spending decisions for a better understanding of the cost-effectiveness of public spending and of whether spending decisions are improving policy outcomes:
 - Strategic planning only loosely connects national development strategy to the national fiscal framework; the government has only limited capacity to use spending performance information to assess the extent to which strategic policy outcomes as defined in the National strategic plan are being achieved through spending decisions.
 - This is also reflected in the integrity and regulatory areas: challenges exist in defining and using a performance measurement framework for the integrity and regulatory systems that enables collecting sound evidence to support better decision-making and in fostering a more data-driven public sector.

- Despite progress in monitoring and evaluation (M&E), there is a limited culture of evaluation in the public administration. In addition, limited generation of regional performance data, limited use of evidence in resource-allocation decisions and in leveraging open data constrains the government's capacity to improve policy outcomes more effectively on the ground, particularly in the poorest regions and communities of the country.
- Although recent efforts to incorporate the results of horizon scanning have been made as part of the National Development Plan 2021 process, strategic foresight and more robust co-ordination of different plans for development in Peru could improve evidenced-based decision-making.
- The new public procurement regulatory framework and its corresponding new governance structure introduced major changes to the public procurement system to improve transparency, integrity, efficiency and accountability. **Co-ordination between the MEF, OSCE, PC, and public entities at the central and sub-central levels needs to be reinforced to ensure the effective implementation of the new system at all levels.**

Limitations in administrative capacity affect the quality and impact of policies and services

- Despite important progress, a complex multitude of employment regulations, atomised human resources management, limited use of accurate data and significant churn in key managerial civil-service positions constrain the government's ability to implement successful public-sector modernisation that improves results for society through better service-delivery to citizens and businesses.
- Significant progress has been made in establishing the legal and regulatory framework to implement a digital government strategy. However, pursuing a rule-making, legalistic and technical approach to the development of digital government may be hindering the achievement of more strategic and integrated outcomes aligned with broader policy objectives:
 - Digital government services are currently still at early stages of development across the range of public governance tools assessed by the OECD.
 - Limited digital government capacity affects transparency and accountability efforts.



● Peru’s public procurement system **tends to be inefficient and is not facing an adequate level of competition with regard to the public procurement methods and tools.**

- The level of competition in the tender process is low, despite a large pool of suppliers registered under the RNP (National Registry of Suppliers).
- The number of cases submitted to different dispute-resolution bodies far exceeds the number of cases being resolved.

KEY RECOMMENDATIONS

In light of these challenges the Government of Peru could consider the following recommendations. These recommendations reflect best practice in OECD member countries.

Strengthen institutional capacity to overcome silos and pursue integrated, multi-dimensional whole-of-government strategic planning that effectively achieves results (PGR; REG; NTR; PPR)

● **Strengthen Centre-of-Government-led whole-of-government co-ordination** to improve strategic planning, strategy implementation; performance monitoring that assesses spending decisions against the achievement of strategic outcomes and results; the implementation of the new public procurement regulatory framework and governance structure; the integrity framework; open government initiatives; digital government; regulatory policy and national – sub-national relationships. To this end, the Government could consider the following:

- **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 relevant line ministries⁵.
- **Create two new Vice-Ministerial positions within the PCM** reporting directly to the PCM to reinforce its strategic role as one of the two institutions making up the CoG:
 - Group strategy-setting units under the **Vice-Minister of National Strategy and Public Governance Modernisation.**
 - Group strategy implementation/delivery units under the **Vice-Minister of Government Operations 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-ministries and the MEF.

– **This Standing Committee could be chaired by the President of the CM, 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 located in 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.**

– **Strengthen the co-ordination role of the Public Management Secretariat (SGP)** in implementing and monitoring Open Government and access-to-information initiatives.

– **Specify the new roles and responsibilities** of the MEF, OSCE and PC and **strengthen the communication** between them and with the public entities at all levels to ensure a coordinated and sustained effort from all involved in order to facilitate the implementation of the new public procurement law.

– Strengthen the supervision of public procurement entities by OSCE as well as the coordination between OSCE and the General Comptrollership of the Republic (*Contraloría General de la Republica, CGR*) in terms of oversight.

● **Modernise the Digital Government governance framework and ensure high-level commitment and support to the digital strategy:**

– **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 of the government's pursuit of its overall public sector reform agenda while engaging with regional and local authorities to support local implementation.

- **Create a stable institutional framework with a senior position formally responsible to set the strategic direction for digital government (e.g. a Chief Information Officer), building on ONGEI.**
 - **Develop and adopt a long-term sustainable leadership, governance and management model to design, implement and assess impact of digital government efforts.** Set clear roles and responsibilities for digital government co-ordination (including a mechanisms to align overall strategic choices on investments in digital technologies with technological deployment in various policy areas supporting overall policy outcomes).
 - **Establish a central oversight body to consolidate key regulatory policy activity currently spread across several ministries, agencies and offices. In line with best international practices, mandate this institution to:**
 - **Develop an integrated whole-of-government regulatory policy framework at the national level,** which can subsequently be used to improve regulations at the sub-national level.
 - **Develop and implement a system of ex ante impact assessment, i.e. a Regulatory Impact Assessment,** for all draft regulations and regulations that are subject to modifications.
 - **Issue a national policy statement on regulatory policy.**
 - **Carry out a measurement of administrative burdens of formalities and information obligations on citizens and businesses,** to target administrative simplification efforts.
 - **Design and apply a performance-measurement framework for the regulatory system.**
 - **Ensure the implementation of the new public procurement regulatory framework at all levels of government to make strategic and holistic use of public procurement.**
 - Develop specific policies and measures to support secondary policy objectives, including green procurement, SMEs and innovative goods and services and link them to specific targets.
 - Ensure that directives, strategies and tools are adapted to the new law and accessible to the public at no cost and that proper guidance is developed to support public procurement entities as well as suppliers in the implementation of the new regulatory framework.
 - **Strengthen the capacities of the public procurement workforce,** by engaging in a strategic workforce planning and by enhancing public procurement training availability and quality.
 - **Strengthen the new public procurement governance to drive efficiency throughout the public procurement cycle while satisfying the needs of the government and its citizens.**
 - Reconsider the structure of the management responsibility of service-oriented functions, such as the management of SEACE and RNP.
 - Foster transparent and effective stakeholder participation by developing a standard process when formulating changes to the public procurement system, for instance by ensuring that public procurement regulations are designed and implemented in the public interest.
- Mainstream the use of evidence in policy making and service design and delivery (PGR; IR; NTR)*
- **Strengthen co-ordination between, and integration of, the different strategic plans for the development of Peru** while ensuring their connection to the national budget.
 - **Integrate performance measurement and evaluation** in both strategic planning and budget decision-making thus enabling better links between strategic planning and budgeting.
 - **Generate and use the results of strategic foresight** and long-term horizon scanning to inform medium-term strategic planning.
 - **Set conditions for a data-driven public sector** by promoting the production, use and re-use of government data from institutional and non-institutional actors for more inclusive design, implementation and evaluation of public policies.



- **Build on the actions already undertaken on Open Data to focus on reaping its benefits** to deliver results in terms of better public governance, social and economic value. This includes fostering the development and engagement of the Open Government Data (OGD) ecosystem at all levels of government to foster OGD re-use.
- **Develop indicators to help monitoring the public procurement system** not only on legal compliance but also on its performance.

Strengthen institutional capacity to design and deliver better policies and services (PGR; IR; PPR)

- **Reinforce and consolidate the development of a merit-based, professional, performance-oriented civil service:**
 - **Ensure that implementation of the Law 35007 (the new civil service law) is supported at the political level across electoral mandates.** Encourage the incoming government and its political leadership to understand the deep value that these civil-service reforms give to the country.
 - **Broaden and deepen the implementation of a civil-service management system that enhances the use of merit-based principles** in key areas such as recruitment, promotion and compensation, based on competencies, performance and more flexible management.

Below: Opening speech at Congress on Independence Day in Lima July 28, 2015. © Reuters/Mariana Bazo



- **Strengthen the role of performance assessments** in supporting the development of relevant skills in the civil service, using a transparent approach based on stakeholder consultation.
- **Pay particular attention to adjusting policies, processes and tools to ensure relevance and applicability** of civil-service capacity-development programmes including the implementation of the civil service law at the regional and local level and consider specific strategies to monitor implementation and impact over time.

- **Strengthen the institutional capacity of the CAN, especially its general co-ordination unit, as the key forum to promote a co-ordinated approach to public-sector accountability, transparency and integrity** by reinforcing its independence and increasing its legitimacy and impact by engaging key public institutions that are currently not officially part of the CAN and by strengthening its capacities for co-ordination, information management and communication.
- **Consolidate public procurement methods and tools to increase competition in tender processes and improve the efficiency of the public procurement system.**
 - Promote the use of public procurement instruments which allow strategic aggregation of demand such as framework agreements and corporate purchases, in order to generate more savings and achieve greater value for money, taking advantage of the leading role of *Peru Compras*.
 - Streamline the public procurement system and simplify administrative procedures to drive cost-effectiveness by, for instance, providing guidance on conducting market analysis and the use of standard tender documents, including for public entities at sub-national level.
 - Continue developing the use of electronic mechanisms in conducting public procurement processes and render the e-procurement system more transactional and integrated within the public finance management systems.
 - Ensure that the recent changes to the remedies system, especially the new mechanisms for dispute resolution, produce efficiency improvements by supporting their capacity to deliver timely and fair decisions.



A Public Administration that works better for all Peruvians: more responsive and accountable government

A responsive and accountable government is an important ingredient of healthy public governance. It contributes to building public trust and confidence in the institutions of the state by strengthening the government's accountability to citizens. Better regulation, open government and citizens' engagement in policy making and service delivery support socio-economic development by better targeting policies and services to meet the needs of citizens and facilitate ease of business creation and innovation. A sound integrity system creates a level playing field for all.

DEFINING FEATURES

- Open Government principles have been part of Peru's legal framework since the adoption of the 1993 Constitution. They constitute a cross-cutting theme in the 2013 National Policy for the Modernisation of Public Administration and its implementation Plan.
 - The SGP is the PCM secretariat in charge of coordinating the implementation of all transparency and open government initiatives supervising the implementation of the Standard Transparency Portals (PTE) of all government entities.
 - The Multi-sector Monitoring Commission (*Comisión Multisectorial de Seguimiento - CMS*) ensures the implementation of the Open Government Partnership (OGP) Action Plans; it is comprised of officials from the central government and representatives from the judiciary, private sector, and civil society.
- Peru's prioritisation of transparency and integrity was included as an essential aspect of the *Acuerdo Nacional*.
 - The Public Administration's Code of Ethics Act (Law No. 27815) establishes principles, ethical duties and prohibitions applicable to civil servants of public administration agencies.
 - The Comptroller General's Office (CGR) is the leading institution of the Peruvian National Internal Control System (NCS) which includes Institutional Control Agencies (OCIs) that are responsible for internal control and audit inside public entities.



- The PCM’s High Level Commission against Corruption (CAN) is the key institution promoting integrity and is composed of institutions from the public and private sectors as well as civil society.
- The SGP’s Manual on Administrative Simplification offers guidelines to ministries and agencies across the three levels of government to eliminate data requirements and reduce response times with the aim to reduce administrative burdens for citizens and businesses.

KEY CHALLENGES

Using Open Government principles and practices to strengthen transparency and accountability

- Peru has pursued Open Government as a key policy area over the past decade; as a result, citizens’ participation enjoys broad protections at all levels of government. However, continuous changes of Presidents of the Council of Ministers and the consequent churn in PCM staff have inevitably affected the continuity of the PCM’s effectiveness and impact of its open government initiatives:
 - The government lacks 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, coupled with a structured and integrated monitoring and evaluation mechanism.
 - Implementation of open government commitments in central and sub-national institutions is hindered by lack of positive incentives and/or sanctions and a dedicated authority/body to guarantee access to information and promote monitoring and enforcement of open government commitments.
 - Framework conditions have not yet been fully adopted to develop Open Government Data that delivers public value – beyond having launched a strategy and established a central OGD portal.

Fostering greater accountability to citizens

- Although some of the building blocks are in place, Peru lacks a full-fledged system for evaluating draft regulation and regulations that are subject to modifications, to assess whether they provide a net positive benefit to society, and whether they are coherent with other government policies. Regulatory tools such as *ex-ante* analysis of draft regulation through a systematic consultation process with all

relevant stakeholders at both national and subnational levels are currently not being used.

- Contributions to political candidates and parties from illicit sources constitute an important challenge; there is limited transparency of private funding as well as the mandate and capacities of political finance control institutions. Effective oversight of money in politics is limited.
- The internal control and risk management system in Peru is currently not sufficiently understood as an integral component of overall public management to improve transparency and public accountability. Risk-management effectiveness is currently weak.
- Although a strategy for administrative simplification is in place, its application is not enforced. These efforts are further challenged because the Government lacks a red-tape baseline of administrative burdens emanating from formalities and information obligations for business and citizens, which can make difficult to target resources to achieve simplification objectives and communicate results.

Ensuring integrity and accountability in public procurement processes

- Corruption and irregularities in public procurement continue to pose a problem.
 - Peru still lacks a culture of integrity in public procurement despite important progress in enhancing the institutional framework governing public procurement.
 - Internal control and risk management mechanisms are not yet being implemented by all public procurement entities.

KEY RECOMMENDATIONS

In light of these challenges the Government of Peru could consider the following recommendations. These recommendations reflect best practice in OECD countries.

Promote greater public accountability and responsiveness (PGR; IR; REG)

- **Establish an effective and independent Internal Audit function** by clearly separating the financial and managerial control policies and processes from the internal audit function and adopting a model of shared audit services separated from the Institutional Control Agencies (OCIs).

- **Focus efforts on mainstreaming and integrating managerial and financial control processes as well as risk-management policies into the day-to-day business of state entities** while developing concrete actions and assigning clear roles empowering professionals across all levels of government to ensure high quality and independent monitoring and assessment of government policies and programming.
 - **Revitalise the Multi-sector Monitoring Commission (Comisión Multisectorial de Seguimiento - CMS)** and turn it into a forum to discuss the country's Open Government priorities by improving its functioning and involving representatives from the local/regional levels.
 - **Ensure the appointment of qualified staff and provide more extensive training opportunities** for public officials at the central, regional and local level on integrity, transparency and Open Government principles and practices.
 - **Design and apply a performance-measurement framework for the integrity system: introduce simple, measurable indicators to monitor the implementation and the evolution of integrity objectives** coupled with integrating concrete integrity objectives into the planning exercise of the entities and link them with core operational objectives.
 - **Implement the integrity framework at the regional level** through better adaptation of the framework to reflect regional needs and furthering the actual implementation process of the 25 Regional Anti-corruption Commissions (CRAs).
 - **Strengthen the administrative and criminal justice systems** to effectively enforce existing laws and regulations and avoid impunity; this requires clarifying the current systems, developing capacities, especially at regional level, and strengthen co-ordination and cooperation between enforcement agencies in both regimes.
 - **Introduce a system of ex ante impact assessment**, i.e. a Regulatory Impact Assessment (RIA), for all draft regulations and regulations that are subject to modifications, as part of its administrative processes. The new RIA system would require all regulators to prepare a RIA in order to help them in the development of new regulations. A number of elements should also be considered as part of the adoption of RIA:
 - Make all draft regulations and RIAs available for consultation by the public at large for a minimum of 30 days.
 - Render systematic consultations both at the early stages of regulatory development and once a draft regulation and a draft RIA has been produced.
 - Make available public comments and render regulatory agencies accountable for their treatment.
 - Create a system of forward planning to make the development of new regulations more transparent and predictable.
 - **Ensure the full implementation of the policies of administrative simplification**, by defining a plan for all the stages of launching, implementation, presentation of results, and evaluation of the impact. This should include a measurement of administrative burdens of formalities and information obligations.
- Improve the use of open government and access-to-information principles and practices (PGR; PPR)*
- **Define a national stand-alone Open Government policy** to go beyond the open government related components of the 2013 national modernisation strategy and its implementation plan and use open government principles and practices in a more systematic manner, as shown in Figure 2.



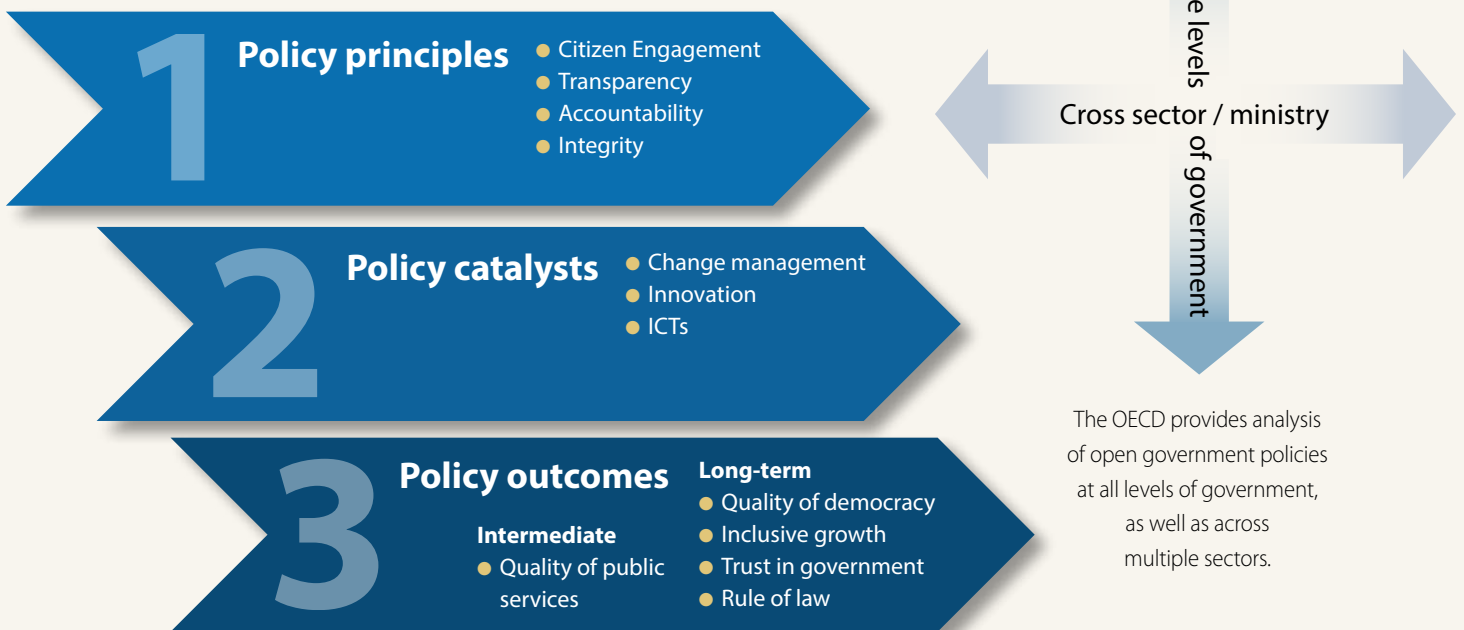
Above: Lima main square and cathedral.



- Carry out large-scale awareness campaigns to inform the general population about OGP action plans and increase the awareness of citizens and public officials about current initiatives and their benefits for the whole population.
- Disseminate existing good practices, such as the work of the Ombudsman (*Defensoría del Pueblo*) and of the *Oficina Nacional de Diálogo* and build on them to strengthen Peru’s open government agenda.
- Strengthen compliance of national institutions to the requirements of the Access to Information Law through the effective design and implementation of an Authority for Transparency and Access to Information as the dedicated oversight body.
 - Support the institution or office in charge of monitoring the implementation of access to information with adequate financial and human resources and enforcement power.
- Strengthen the integrity, transparency and accountability of the public procurement system
 - Promote a culture of integrity in public procurement and provide a consistent and coherent national system for integrity and conflict of interest management in public procurement.
 - Ensure the implementation of control mechanisms and risk management systems in public procurement by informing and strengthening the capacities of public procurement entities in terms of internal control and risk management.
 - Develop specific internal control and risk management guidelines and tools for public procurement. Those tools should be jointly developed by OSCE and the General Comptrollership of the Republic (*Contraloría General de la República, CGR*).
 - Implement effective communication strategies for public procurement information disclosure and ensure that the available information contributes to increasing efficiency and accountability in the system by facilitating and promoting its re-use by different stakeholders.
 - Promote the active engagement of the private sector and civil society as an additional watchdog, taking advantage of the active participation of stakeholders.

Figure 2: OECD OPEN GOVERNMENT FRAMEWORK

The OECD uses the following theory of change to frame its analysis of Open Government reforms. Open government policy principles are transformed into intermediate and long-term policy outcomes through the use of policy catalysts. This theory of change is designed to adapt to country-specific contexts.





Decentralisation for more inclusive growth: better governance for more competitive and resilient regions and cities

Decentralisation and the empowerment of sub-national governments were launched in 2002; Peru has made important efforts since then to implement the country's decentralisation strategy. Effective regional development policies that give coherence to structural reforms will be essential to achieving a more inclusive and sustainable national growth path and increasing Peru's international competitiveness. Indeed regions and cities are central to achieving national inclusive-growth outcomes and improving opportunities for all Peruvians regardless of where they live.

DEFINING FEATURES

- Peru is a diverse country with distinct regional economies shaped by topography and resource endowments. As a result, national challenges and opportunities are playing out differently across the country. Peru launched its decentralisation process in 2002; significant efforts have been made by the central government to implement the Constitution's amendments.
- The regional level currently consists of the 24 departments and the Constitutional Province of Callao in the functional urban area of Lima, which also has the status of a department. Callao hosts the most important port and airport in the country. The local level of government has two sub-levels: 196 provincial municipalities (*municipalidades provinciales*) and 1671 district municipalities (*municipalidades distritales*).
- Sub-national governments are elected for a period of four years, with a one term limit for the heads of the executives; both regional and local governments enjoy political and administrative autonomy over matters within their competence; the Metropolitan Municipality of Lima has a special regime and is defined as a regional government; it exercises the powers of the province and the city of Lima.



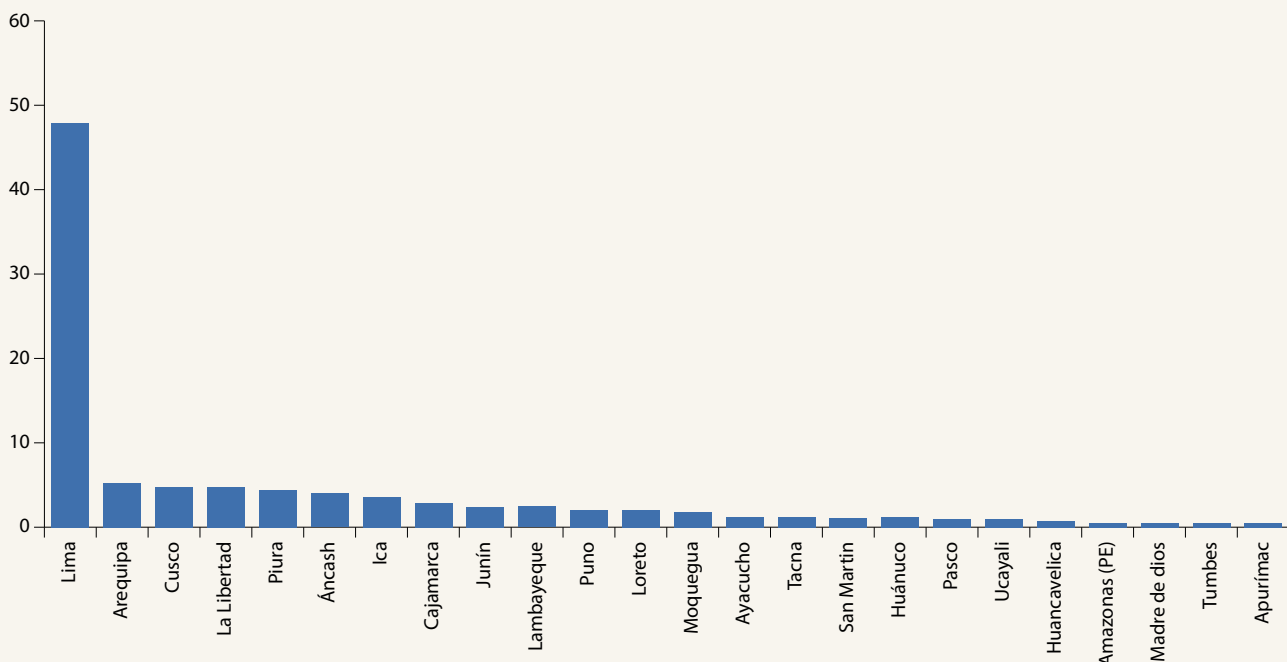
- The most striking feature of Peru at a sub-national level is the dominance of metropolitan Lima which constitutes 35% of the national population and almost half of the country’s gross valued added (Figure 3).
 - Yet Lima and other cities in Peru are not performing to their potential. Increasing urban productivity is particularly important for Peru as the services sector, which is predominantly located in cities and in peri-urban areas, need to become a more important driver of national growth.
 - Rural areas are critical to the national economy with commodities accounting for over three-quarters of Peru’s exports. Despite this contribution to national wealth, many rural regions have experienced low growth and present higher levels of poverty (disproportionately affecting ethno-cultural minorities).
 - Public policy has yet to achieve strategic results in lifting agricultural productivity and addressing concentrated pockets of poverty to enable rural areas to make a stronger contribution to the national economy.

KEY CHALLENGES

Giving lasting effect to the decentralisation strategy through robust multi-level governance that improves results for citizens on the ground

- Since Peru launched its decentralisation process in 2002, new regulations regarding regional and local governments and their interaction with the central administration have been designed and implemented but, notwithstanding reductions in national poverty rates, **pronounced regional disparities (the reduction of which was, and remains, one of the strategic aims of the decentralisation strategy) persist and regions are not maximising their growth potential, while fiscal decentralisation needs further clarity and the sharing of responsibilities among the different levels.**
 - Thirteen years after initiating the decentralisation process, the Peruvian legal framework governing the decentralisation strategy is fragmented, overly complex and difficult to implement in practice.
 - A lack of clarity persists in roles and responsibilities between levels of government, and effective mechanisms to co-ordinate activity and facilitate the development of partnerships at the local level remain fragile at best.

Figure 3: **PERCENTAGE CONTRIBUTION TO NATIONAL GROSS VALUE ADDED (GVA) BY DEPARTMENT (2013)**



Source: NEI, OECD analysis

- Regional and local governments face limited administrative capacity that hinders their ability to design and implement regional policies, pursue important socio-economic goals in collaboration with central government and engage effectively with citizens and stakeholders in policy-making, including rule-making and service design and delivery.
 - Regional and local governments lack fiscal and decision making autonomy, and are reliant on national government transfers without adequate performance monitoring and commodity-based transfers are primarily allocated to municipalities that are benefiting from extractive industries.
 - There are no effective equalisation mechanisms to address regional disparities.
 - Regional development strategy for Peru that reflects a co-ordinated approach to integrating a region's development priorities with national strategic objectives for the development of the country's regions depends upon reforms to sub-national governance and financial arrangements.
 - Regional development plans are not effectively implemented or integrated with the national system of strategic planning. Designing an implementation strategy for these regional planning depends upon linking them with budgetary instruments and incentive structures.
- **Lack of administrative and fiscal capacity in regional and local governments** runs across the entire range of governance issues examined in the Reviews:
 - Public investments are fragmented and low quality. Fiscal transfers further deepen regional inequalities and do not match to the basic needs of the population.
 - Despite pockets of good practices in regional and local governments, there is a generally limited knowledge of and capacity to design and deliver sustainable regional development initiatives.
 - Regional and local governments face limited capacity to adopt for their territory national Open Government initiatives, principles of strategic human resources management practices, or digital government initiatives; they tend not to be able to contribute to the design and implementation of national strategies in these areas either.
 - Regional Anticorruption Commissions have now been implemented in all regions; however the degree of their operability varies and not all regions have developed anticorruption plans. These regional





anticorruption plans need to be coherent with the national anticorruption plan, while reflecting locally available knowledge and the specific problems of the given region.

- At the regional level the capacities of political parties in financial management and internal control are weak, and there is a lack of transparency and accountability of political finance and campaign spending. This increases the risk of illicit money entering into regional politics and, as a consequence, the risk of regional public administrations being captured by narrow vested interests.
- Sub-national governments are limited in their capacity to adopt coherent regulatory policy frameworks based on effective co-ordination between central and sub-national governments and to adopt and disseminate good regulatory practices and tools at the regional and local levels.

Developing and implementing integrated place-based policies to drive the economic and social development of cities and regions for inclusive national growth

- **Developing a place-based approach to urban and rural development, supported by better public governance arrangements, has the potential to improve economic development regionally and thus nationally, leading to more inclusive growth and better outcomes for citizens.** This depends on a clear and coherent national policy and operational framework for regional development, which the Government of Peru has yet to design and implement.
- The Government acknowledges the vulnerability of the national economy, and has developed policies to

lift productivity and diversify the export base of the country. These policies are focusing on increasing the diversification and complexity of the national economy by facilitating higher-valued added activities. Key policy directions include cluster development, reforming regulatory frameworks, and incentivising investment in innovation.

- But these national sector-based policies tend to be “a-spatial”, in that they tend to be designed and pursued without regard to the specific strengths, assets and challenges in a given region, with these attributes differing markedly between regions across the country. In addition:
 - In the national government, as highlighted in the first section, a lack of co-ordination across different economic policy areas leads to the implementation of sector-specific strategies when integrated, multi-dimensional policy responses to the challenges associated with driving economic diversification could achieve results more effectively.
 - Policy makers in the national government lack coherent definitions of urban and rural areas due to a multiplicity of standards, concepts, definitions and in several cases a lack of robust, reliable statistics. Without consistent definitions, rural and urban issues cannot effectively be taken into account across different sector-based policy-making activities.
 - Regional stakeholders tend not to be effectively included in the national policy design and implementation process. The decentralisation strategy has tremendous potential to support a place-based approach to economic development, but has yet to do so.

- Peru is now facing a challenge to design national structural policies that can deliver sustained improvements to human capital, innovation and infrastructure in an integrated way in regions that differ significantly from one another across the country. Regions and cities matter in terms of how the Peruvian Government can give coherence to sector-based policies and achieve national policy objectives.

KEY RECOMMENDATIONS

In light of these challenges the Government could consider the following recommendations. These recommendations reflect best practice in OECD countries.

Strengthen design and delivery of regional, urban and rural policies within a revitalised decentralisation strategy (PGR; NTR; REG)

- **Mandate the PCM to update the government's strategic objectives for decentralisation by defining appropriate competences for each level of government and enhancing multilevel co-ordination mechanisms:**
 - Clarify roles and responsibilities and strengthen the role of the regional level as part of the decentralisation process, prioritising competencies and capabilities related to economic development and spatial policies.
 - Strengthen co-ordination capacity between levels of government with renewed Intergovernmental Councils, one dedicated to regions and one dedicated to municipalities.
- **Define and implement a strategy to allocate financial resources to the different levels of administration in the country:**
 - Improve tax, transfer and incentive arrangements by linking national transfers to clear performance goals, providing capacity for revenue raising at a subnational level, and enforcing fiscal rules.
- **Expand the focus of the Decentralisation strategy to integrate place-based development policies:**
 - Develop a comprehensive national urban development policy along with mechanisms to support integrated strategic spatial planning and investment.
 - Implement governance reforms for the functional urban area of Lima and Callao that enable better

co-ordination between different actors in relation to urban infrastructure and land use policies, and assess how similar governance reforms can be adapted for secondary cities such as Arequipa, Trujillo, and Cusco.

- Build on existing social programmes focused on addressing poverty in rural areas with initiatives that enhance productivity and business development opportunities.
- Develop an agreed regional definition for Peru that differentiates between urban, intermediate and rural areas; defines functional urban areas; and provides a basis for better co-ordination of policies for cities and regions.
- Designing and implementing an integrated reform to subnational finances which includes increasing the proportion of investment funds (such as mining royalties) allocated to the regional level and reducing the proportion to municipalities, and adopting a more equitable mechanism to disburse investment funds across regions.
- **Strengthen co-ordination between the Decentralisation Secretariat, the SGP, CEPLAN, and SERVIR, and with the MEF, to pursue decentralisation objectives coherently. Reinforce capacity across the PCM to complete the implementation of the decentralisation strategy successfully:**
 - **Strengthen human and financial resources in the Decentralisation Secretariat** to work closely with regional and local governments on designing and implementing strategies to achieve clear policy outcomes and on assessing and monitoring progress in their pursuit.
 - **Strengthen co-ordination on decentralisation with the MEF to ensure that performance budgeting is implemented at the sub-national level** and that sub-national expenditure performance information is fed back into PEDN planning.
 - **Ensure that the Decentralisation Secretariat, working closely with CEPLAN and the MEF, generates and publishes regularly performance information** 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 regional and local governance for more inclusive outcomes; (PGR; NTR)

● **Strengthen strategic planning and co-ordination capacity in regional governments** so they can effectively integrate national sector-based policies to pursue the specific needs of their region, contribute effectively to national policy development so that regional priorities and objectives are effectively reflected in national strategies, and work in partnership with local and the national governments to prioritise and coordinate investment:

– **Establish institutional support capacity in each region** (for example, 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 inter-governmental co-operation to address them, to design, implement and monitor strategies and key projects on the ground, and to engage in inter-regional 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), to the MEF, and to the regional government(s).**

– **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.

– **Develop a more strategic and multiyear approach to public investment from the canon (royalties) and other transfers** as in other countries in Latin America by making resource allocation conditional upon regional scale planning and prioritisation, and develop mechanisms to ensure investment outcomes are consistently monitored and evaluated.



- **Enhance the capacity of regional governments to engage with local councils** and civil society by clarifying the roles and accountabilities of Regional Coordination Councils in setting regional development priorities, and monitoring the delivery of outcomes.
- **Support regional and local governments in designing and implementing open government, transparency and integrity policies and practices.**
 - **Strengthen monitoring, evaluation and accountability tools in regional and local governments for more transparency and accountability** by, for example, ensuring that local external control institutions have sufficient capacity to carry out their duties, and that human resources are appointed using the merit principle.
- **Further promote the development of regional anti-corruption plans**, paying particular attention that these are constructed in a participative way, and involving key actors that are currently not participating in the Regional Anticorruption Commissions. Strengthen capacity in the technical secretariats of the CRAs and support inter-regional learning through exchange of experience.
- **Implement through co-ordination with sub-national governments the national regulatory framework in regional and local governments**, and promote actively the adoption of regulatory tools in regional and local governments, such as, *inter alia*, *ex-ante* analysis of draft regulation, consultation and stakeholder engagement.



OECD Public Governance and Territorial Development Directorate – areas of work

The OECD Public Governance and Territorial Development Directorate helps countries implement strategic, evidence-based and innovative policies to strengthen public governance and improve citizens’ trust in government. The areas of work addressed in the reviews of Peru’s public governance reforms build upon the Directorate’s daily work. This work involves carrying out policy analysis and peer reviews, facilitating policy committees and networks, and developing recommendations, instruments and principles.

Public governance for inclusive growth

In many countries inequality is growing as the benefits of economic growth go to the richest members of society. Inclusive Growth is all about changing the rules so that more people can contribute to and benefit from economic growth. OECD policy making for inclusive growth aligns voice, design, delivery and accountability for joined-up outcomes. On 28 October 2015, ministers and cabinet-level officials from OECD countries and beyond met in Helsinki, Finland, to help determine how we can shape the policy cycle to deliver growth and achieve greater equality in socio-economic outcomes. <http://www.oecd.org/gov/inclusive-growth-and-public-governance.htm>

Centre of government

Moving away from the traditional role of serving the executive from an administrative perspective, centres of government are now playing a more active role in policy development. OECD work on centres of government explores how governments can adapt the institutions at the Centre in order to play this expanded and more outward-looking role. As part of its work on centres of government, the OECD convenes the **Network of Senior Officials from Centres of Government** in annual meetings. <http://www.oecd.org/gov/cog.htm>

Monitoring and evaluation

In the quest for inclusive outcomes, governments are increasingly making use of monitoring and evaluation systems to maximise the use of scarce resources and ensure that the results achieved reflect the intended outcomes. Recently, the OECD convened a **symposium on public sector performance**. <http://www.oecd.org/gov/budgeting/seniorbudgetofficialsnetworkonperformanceandresults.htm>

Budgeting and Public Expenditures

The Working Party of Senior Budget Officials (SBO) undertakes country reviews of budgeting systems. The objective is to provide a comprehensive overview of the budget process in the country under examination,

to evaluate national experiences in the light of international best practice and to provide specific policy recommendations, and to offer other countries an opportunity to comment on specific budgeting issues in the country under examination («peer review»). <http://www.oecd.org/gov/budgeting/seniorbudgetofficialsnetworkonperformanceandresults.htm>

Human resource management

Public administrations need the right people in the right place, at the right time, and with the right skills, if they want to meet today’s challenges. The **OECD’s work on strategic workforce management**, including **reviews of human resource management in government**, highlights governments’ efforts to promote strategic workforce planning. <http://www.oecd.org/gov/pem/>

Multi-level governance

Sub-national governments provide substantial public services and they are close to the citizen. Therefore, effective multi-level governance plays an important role in delivering inclusive growth outcomes. The OECD publishes territorial reviews at the national, regional and metropolitan levels and promotes good practices in the area of multi-level governance of public investment. <http://www.oecd.org/gov/regional-policy/multi-levelgovernance.htm>

Regional development

Regional development helps governments foster competitive dynamic regions to achieve their economic, social and environmental objectives. <http://www.oecd.org/gov/regional-policy/>

Regulatory policy

Regulatory policy is about achieving government’s objectives through the use of regulations, laws, and other instruments to deliver better economic and social outcomes and thus enhance the life of citizens and business. <http://www.oecd.org/gov/regulatory-policy/>

Open government

Open government included the opening up of government processes, proceedings, documents and data for public scrutiny and involvement – is now considered a fundamental element of a democratic society.
<http://www.oecd.org/gov/open-government.htm>

Digital government

Digital government explores how governments can best use information and communication technologies and government data – including open government data – to embrace good government principles and achieve policy goals.
<http://www.oecd.org/gov/public-innovation/>

Transparency and integrity

Transparency and integrity are essential for building strong institutions resistant to corruption. The OECD developed a set of **recommendations to enhance integrity and prevent corruption** in the public sector and to ensure a strategic use of public procurement. The OECD carries out **reviews on public sector integrity** and public procurement to help policy makers improve policies, adopt good practices and implement established principles and standards.
<http://www.oecd.org/gov/ethics/>

Public procurement

Public procurement constitutes a crucial nexus between the public sector and private sectors. Moreover, due to its critical importance for governance and to the size of the financial flows involved, it is the government activity most vulnerable to waste, fraud and corruption.
<http://www.oecd.org/gov/ethics/public-procurement.htm>

ADDITIONAL AREAS OF WORK

Government at a Glance, a GOV publication now in its fourth publication, includes a dashboard of key indicators to help analyse international comparisons of public sector performance.
<http://www.oecd.org/gov/govataglance.htm>

Public sector innovation – governments are finding new ways of operating and responding to public needs in a globalised and networked world characterised by rising citizen expectations and financial constraints. These efforts are supported through the OECD Observatory of Public Sector Innovation.
<https://www.oecd.org/governance/observatory-public-sectorinnovation/>

OECD Regional Outlook, a GOV publication now its third edition, identifies challenges and opportunities facing OECD cities and regions and policies to address them. Each publication includes a special thematic focus with the latest edition focusing on how increasing the productivity of urban and rural regions can help achieve more inclusive societies.

<http://www.oecd.org/regional/oecd-regional-outlook-2016-9789264260245-en.htm>

Gender – empowering and encouraging women to participate in the public sphere is essential to ensure a balanced perspective on policy making and is associated with improvements in social outcomes.

<http://www.oecd.org/gov/women-in-government.htm>

Justice – the OECD work on justice services aims at supporting improved citizen access to justice by strengthening citizen focus of justice services.

<http://www.oecd.org/gov/oecd-expert-roundtable-equal-accessto-justice.htm>



Above: The Palacio de Gobierno on the Plaza de Armas in Lima.

ENDNOTES:

1. OECD (2015), *Multi-dimensional Review of Peru: Volume 1. Initial Assessment*, OECD Publishing, Paris
2. OECD (2015), *Multi-dimensional Review of Peru: Volume 1. Initial Assessment*, OECD Publishing, Paris; OECD (forthcoming) *OECD Public Governance Review: Peru, Chapter 1: Contextualising Public Governance Reform in Peru*.
3. OECD (2015), *Multi-dimensional Review of Peru: Volume 1. Initial Assessment*, OECD Publishing, Paris; OECD (forthcoming) *OECD Public Governance Review: Peru, Chapter 1: Contextualising Public Governance Reform in Peru*.
4. OECD National Territorial Review of Peru, Key findings, Draft 13 January 2016
5. In this connection, a specific recommendation on enhancing the autonomy of INEI, one of the PCM agencies that should be devolved, can be found in the PGR.



BETTER POLICIES FOR BETTER LIVES

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