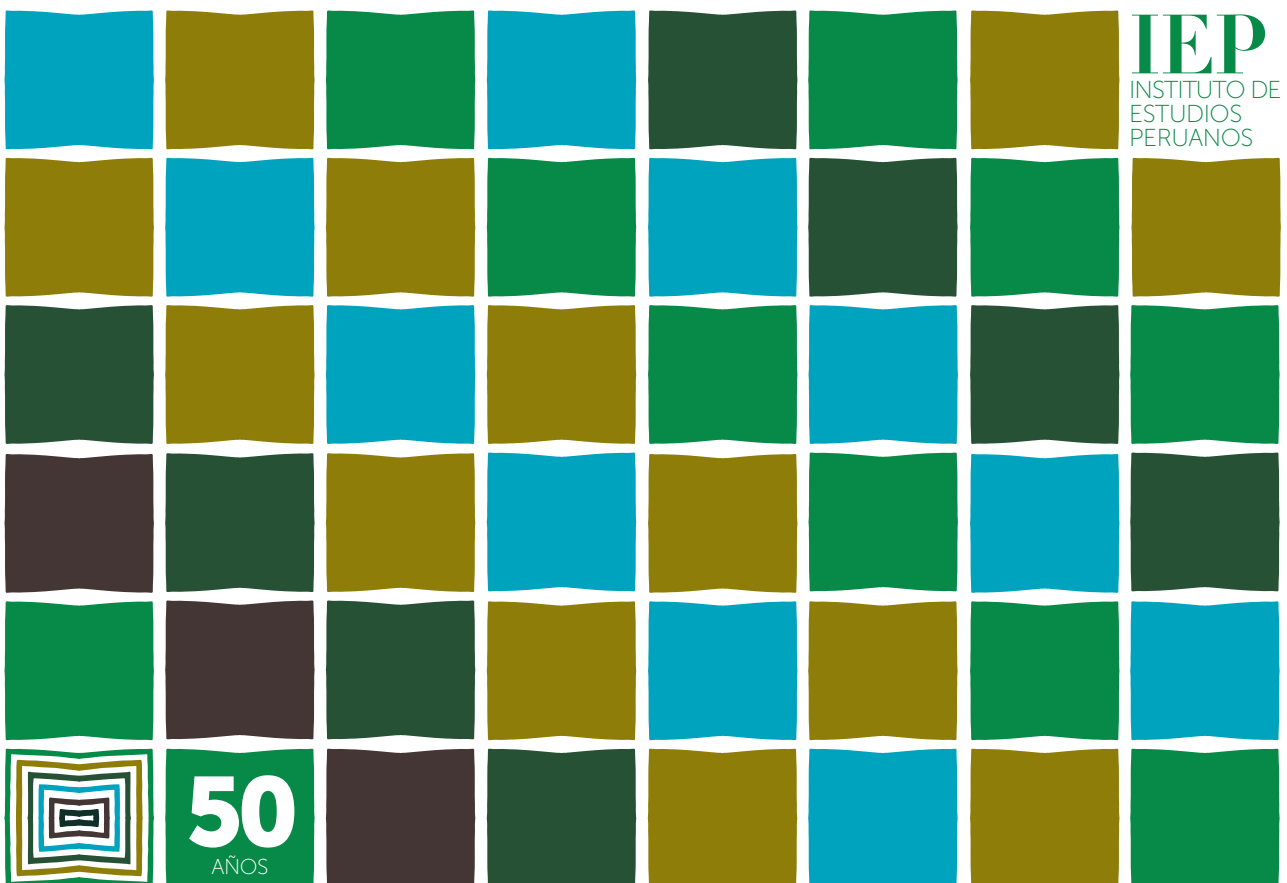


Carolina Trivelli Ávila
Silvana Vargas Winstanley

FROM DISCOURSE TO ACTION DISCOURSE AND ACTION

Challenges, decisions and dilemmas in the creation
of the Ministry of Development and Social Inclusion



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Documento de Trabajo N.º 208



© Instituto de Estudios Peruanos, IEP
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Web: <www.iep.org.pe>

Libro electrónico de acceso libre disponible en:
<http://www.iep.org.pe/biblioteca_virtual.html>

ISBN 978-9972-51-508-8
Documento de Trabajo (ISSN 1022-0356)
Serie Documentos de Política, 9 (ISSN 1022-0372)
Edición digital

Lima, abril de 2015

Corrección de estilo: Luis Andrade
Diagramación: ErickRagas.com

Esta publicación se llevó a cabo con la ayuda de una subvención del Centro Internacional de Investigaciones para el Desarrollo, Canadá, bajo la Iniciativa Think Tank.

TRIVELLI, Carolina
From Discourse to Action Discourse and Action. Challenges, decisions and dilemmas in the creation of the Ministry of Development and Social Inclusion / Carolina Trivelli y Silvana Vargas Winstanley. Lima, IEP, 2015 (Working Paper, 208. Policy series 9)

1. PUBLIC POLICY; 2. MINISTRY OF DEVELOPMENT AND SOCIAL INCLUSION; 3. SOCIAL INCLUSION; 4. SOCIAL PROGRAMS; 5. POVERTY; 6. HUMALA TASSO, OLLANTA, PRESIDENT, 2011-2016; 7. PERU

WD/04.04.02/P/9



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Principal acronyms

ALCADECA	Latin American and Caribbean Association for Human Development and the Capabilities Approach (<i>Asociación Latinoamericana y del Caribe para el Desarrollo Humano y el Enfoque de Capacidades</i>)
AMPE	Association of Municipalities of Peru (<i>Asociación de Municipalidades del Perú</i>)
ANGR	National Assembly of Regional Governments (<i>Asamblea Nacional de Gobiernos Regionales</i>)
CAE	School nutrition committee (<i>Comité de alimentación escolar</i>)
CCT	Conditional cash transfers
CIAI	Centros infantiles de atención integral
DGGU	General Office of User Management (<i>Dirección General de Gestión de Usuarios</i>)
DGSE	General Office of Monitoring and Evaluation (<i>Dirección General de Seguimiento y Evaluación</i>)
ENAH0	National Household Survey (<i>Encuesta Nacional de Hogares</i>)
ENDIS	National Strategy for Development and Social Inclusion (<i>Estrategia Nacional de Desarrollo e Inclusión Social</i>)
FED	Fund for Stimulation of Performance and Achievement of Social Outcomes (<i>Fondo de Estímulo al Desempeño y Logro de Resultados Sociales</i>)
FONCODES	Cooperation Fund for Social Development (<i>Fondo de Cooperación para el Desarrollo Social</i>)

FONIE	Fund for Economic Inclusion in Rural Areas (<i>Fondo para la Inclusión Económica en Zonas Rurales</i>)
FONIPREL	Fund for Promotion of Regional and Local Public Investment (<i>Fondo de Promoción a la Inversión Pública Regional y Local</i>)
IDB	Inter-American Development Bank
IEP	Institute of Peruvian Studies (<i>Instituto de Estudios Peruanos</i>)
INEI	National Institute of Statistics and Computing (<i>Instituto Nacional de Estadística e Informática</i>)
IPA	Innovations for Poverty Action
J-PAL	Abdul LatifJameel Poverty Action Lab
JUNTOS	National Program of Direct Support tothe Poorest Peruvians (<i>Programa Nacional de Apoyo Directo a los Más Pobres</i>)
MEF	Ministry of Economy and Finance
MIDIS	Ministry of Development and Social Inclusion
MYPE	Microenterprises and small businesses (<i>Micro y pequeña empresa</i>)
P-20	Pilot of Territorial Synergies in Social Policy
PAINMI	Program of Integral Strategies for Improving Child Nutrition (<i>Programa de Estrategias Integrales para el Mejoramiento de la Nutrición Infantil</i>)
PCA	Supplementary Food Program (Programa de Complementación Alimentaria)
PIDERAL	Innovative Policies for the Development of Rural Territories in Latin America (<i>Políticas Innovadoras para el Desarrollo de los Territorios Rurales en América Latina</i>)
PIN	Integrated Nutrition Program (<i>Programa Integrado Nutricional</i>)
PePI	Population in Process of Development and Social Inclusion (<i>Población en Proceso de Desarrollo e Inclusión Social</i>)
PCM	Office of the President of the Council of Ministers (<i>Presidencia del Consejo de Ministros</i>)
PRONAA	National Nutrition Assistance Program (<i>Programa Nacional de Asistencia Alimentaria</i>)
PRONAMA	National Literacy Mobilization Program (<i>Programa Nacional de Movilización por la Alfabetización</i>)
PRONIED	National Educational Infrastructure Program (<i>Programa Nacional de Infraestructura Educativa</i>)
RBB	Results-based budgeting
RBM	Results-based management
Remurpe	Network of Urban and Rural Municipalities of Peru (<i>Red de Municipalidades Urbanas y Rurales del Perú</i>)
RTD	Rural territorial development
SEP	Business Solutions against Poverty (<i>Soluciones Empresariales contra la Pobreza</i>)
SIAF	Integrated System of Financial Management (<i>Sistema Integrado de Administración Financiera</i>)

SINAMEIS	National System of Monitoring, Evaluation and Social Information (<i>Sistema Nacional de Monitoreo, Evaluación e Información Social</i>)
SINADIS	National System of Development and Social Inclusion (<i>Sistema Nacional de Desarrollo e Inclusión Social</i>)
SIS	Comprehensive Health Insurance (<i>Seguro Integral de Salud</i>)
SISFOH	Household Targeting System (<i>Sistema de Focalización de Hogares</i>)
TAL	Technical Assistance Loan
UNDP	United Nations Development Program
VRAEM	Valley of the Apurímac, Ene and Mantaro Rivers
WHO	World Health Organization



Discourses guide practice. In public policy, however, that is not sufficient. Decision-makers face the challenge of going beyond discourses to make them operational and implement them, to give them content and putting them into practice. After many attempts, human development in our country is a discourse that is in transition to practice; the goal is to place it at the center of public policy. One crucial milestone in giving human development an institutional framework was the creation of the ministry of Development and Social Inclusion (*Ministerio de Desarrollo e Inclusión Social*, MIDIS) in October 2011. According to the law that created the ministry, the purpose of MIDIS is to «improve the quality of life of the population, promoting the exercise of rights, access to opportunities and development of abilities, in coordination and synergy with various entities of the public sector, the private sector and civil society.»

Human development characterized the sector from the time of its creation and was reflected in the operational principles that guided its initial phase: a) reducing the gaps between population segments, b) promoting people-oriented results, and c) promoting a model that integrated three time horizons: temporary alleviation, skills development and creation of opportunities for the next generation. These principles, based on a human development approach, would make it possible to align policy interventions and social programs managed by MIDIS and organize social-policy discourse around a commitment to the welfare of people, especially those who face the greatest exclusion.

Slightly more than three years have passed since MIDIS was created, and various questions have arisen that call for reflection: How viable is the human development approach to public policy? What challenges, decisions and dilemmas have emerged in implementing the human development approach, in light of MIDIS' experience? What lessons can be derived from everything the Ministry has learned through its experience? How can those learnings enrich the human development approach to public policy?¹

The intention of this text is to make explicit the dilemmas that were faced, the decisions that were made and the challenges that were posed. We do not mean for these reflections to be taken as a recipe for the design, organization and/or implementation of a model. Our only aim is to share a series of critical reflections about the experience, to promote dialogue and help help construct the memory of a process that emphasized the formulation of people-oriented public policy based on a human development approach.

After this introduction, the text is organized in five sections. The first discusses processes for creating coordinated, synergistic connections among policies, programs and interventions to achieve a policy of development and social inclusion. The second section examines the weight given to managing in a way that could be measured and evaluated, and which provided indications for improvement. The third section presents the process of receiving, evaluating and modifying the social programs transferred to MIDIS. The fourth section discusses the challenge of introducing the concept of territory into the discussion and design of policy for development and social inclusion. The last section presents a series of lessons for continuing the discussion.

We would like to thank the Institute of Peruvian Studies (*Instituto de Estudios Peruanos*, IEP), and especially its director general, Roxana Barrantes, for the effort made to ensure that we could leave a record of a small part of our experience in MIDIS by writing this text. We also thank the *Think Tank Initiative of the International Development Research Centre* of Canada for making this publication possible. We are very grateful to all of the colleagues with whom we worked at MIDIS, at some point, and who made it possible for us to address the challenges that we describe here. We are indebted to Jhonatan Clausen, who aided us with great enthusiasm and efficiency by gathering information and documents, organizing the topics and reviewing the text. Finally, this version has benefited from the work of Luis Andrade, to whom we entrusted the enormous task of ensuring that everything we wanted to share was understandable. Our thanks to all who helped us during the preparation of this text, but above all to the team, the best work team possible, the real protagonists of MIDIS. Of course, we do not hold them responsible for any error or omission or for the content of this text.

1. These questions were explored in *Moving from discourse to practice: connections and reflections on human development and public policy based on the creation of the Ministry of Development and Social Inclusion in Peru*, a presentation by the authors at the fifth conference of the Latin American and Caribbean Association for Human Development and the Capabilities Approach (ALCADECA), held in Lima, Peru, in May 2014.



From challenge to approach: synergistic organization of policies, programs and interventions in a new Ministry

From a human development standpoint, the creation of MIDIS reflects the establishment of development and social inclusion as government policy priorities under the leadership of a single sector. By law, MIDIS is responsible for guiding social policy and «formulating, designing, coordinating implementing, supervising and evaluating national and sectoral policies in the area of development and social inclusion, aimed at reducing poverty [...] in those gaps that cannot be closed by universal, regular social policy under each sector» (Ley 29792, published in the official gazette *El Peruano* on 20 October 2011).

The creation of MIDIS was an opportunity to make policy for development and social inclusion the centerpiece of the national agenda. With the creation of the Ministry, low-income citizens were placed in the public policy scenario not as a burden, a problem or a residual topic, but as the object of social policy intended to create abilities and opportunities (MIDIS 2012a). If the government ensures that the group that faces the greatest exclusion can exercise its rights, gain access to and take advantage of opportunities, and get ahead, it will be better for the country. It therefore is a matter of modifying not just conditions of poverty, but also those of inequality.

This commitment implied an approach that differed from previous efforts; it meant formulating and implementing a policy that was consistent, synergistic and interconnected, aimed at bringing about changes and results. It was not enough to improve just one indicator, but had to address a series of indicators that would reflect the population's welfare. This change from traditional policies is particularly

important considering that Peru's approach to social policy has traditionally been limited to a single aspect of poverty or exclusion, as well as by a lack of coordination and constant changes in approach, priorities, operators, etc. If these new principles were really applied, therefore, it would be possible to establish new terms for dialogue and negotiation with economic policy, orienting it toward a balance focusing on achieving results associated with people's welfare, in which growth and macroeconomic equilibrium would clearly be basic conditions, but not the ultimate goal of public policy.

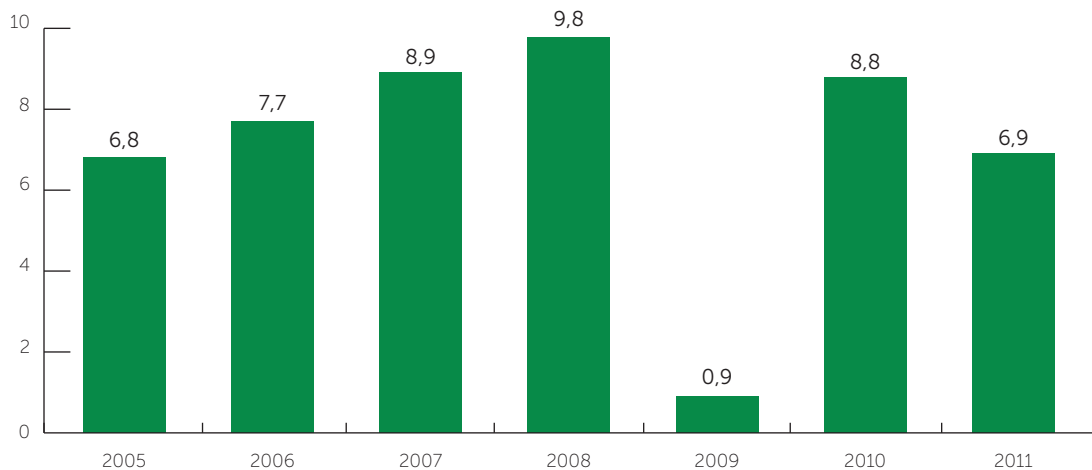
The creation of MIDIS required delimiting its area of action and differentiating it from «mere» social policy, as well as defining the relationship between policies for development and social inclusion and social policies. While social policies are universal and permanent, policies for development and social inclusion should be temporary and targeted. The two types of policies must complement each other, and they therefore require clear models of coordination. The strategies and instruments, as well as the capabilities necessary for the implementation of each, are therefore different. The creation of MIDIS therefore faced specific challenges, including: a) the broad scope of policy for «development and social inclusion»; b) the complexity of a task that implied assuming, as MIDIS, the roles of both managing and establishing synergies among policies; c) the need to bring strategies into line with the various government administrative systems and their tools; and d) the heterogeneous profile of the initial team—researchers, managers and career public servants—charged with creating a discourse, instruments and an operating style consistent with the challenge.

From the outset, this implied a need to prioritize, implement and learn on the job. Given the context and the high expectations surrounding the creation of MIDIS, there was no time to theorize about what it meant to design policy for development and social inclusion; decisions had to be made constantly, always hand in hand with implementation. Because the Ministry was blazing a new trail, theory grew out of practice in light of common criteria. As this paper shows, that translated into decisions associated with a human development approach, a commitment to establishing synergies between different sectors and levels of government, results-based management, the definition of a priority population, the design of tools for measurement, and the implementation of a territory-based model for development policy. It was also assumed that there would be feedback from the experience of the programs under MIDIS' responsibility, because of the opportunities and limitations implied by implementing actions even as they were being readjusted to be consistent with the new approach and policy commitments.

MIDIS was created in a particular context that justified its creation and facilitated a proactive process of implementation (Vargas, 2014). First, Peru is in a phase of sustained economic growth, which is associated with substantive increases in the public budget and investment, and a significant decrease in poverty rates in the country. These positive conditions, however, conceal gaps that have not been closed by increased growth, decreased poverty or greater investment. Although the country as a whole is doing well, there is a group of Peruvians who not only do not perceive that their quality of life is improving, but also do not connect with the improvement processes that are raising the overall standard of living. They remain sidelined, or fall farther behind, and therefore require specific interventions,

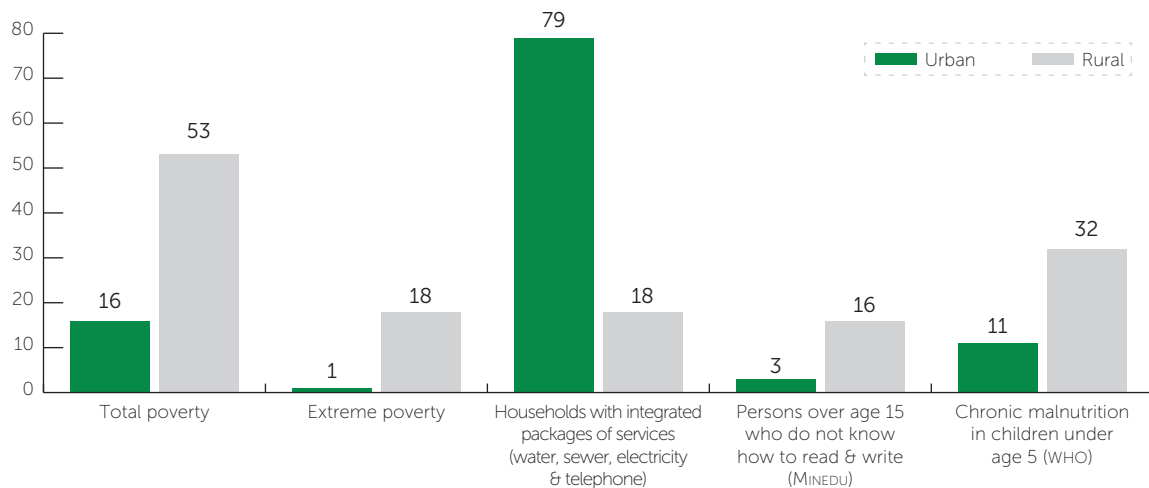
targeting them, which enable them to reverse that situation and, ideally, progress at the same rate as the rest, for their own good and that of the country as a whole. To address this challenge, MIDIS was created to complement what was already being done and ensure that the benefits of growth translate into greater capabilities and opportunities for all, through access to and exercise of rights that are ours because we are Peruvians. Graphs 1.1 and 1.2 provide a quantitative summary of the context in which MIDIS was established.

Graph 1.1
GDP GROWTH, PERU, 2005-2011
(IN PERCENTAGES)



Source: Compiled by authors based on INEI databases.

Graph 1.2
URBAN-RURAL GAPS 2010 (IN PERCENTAGES)



Sources: Ministerio de Desarrollo e Inclusión Social (2013a) and compilation by authors based on INEI databases.

- Policy guidelines

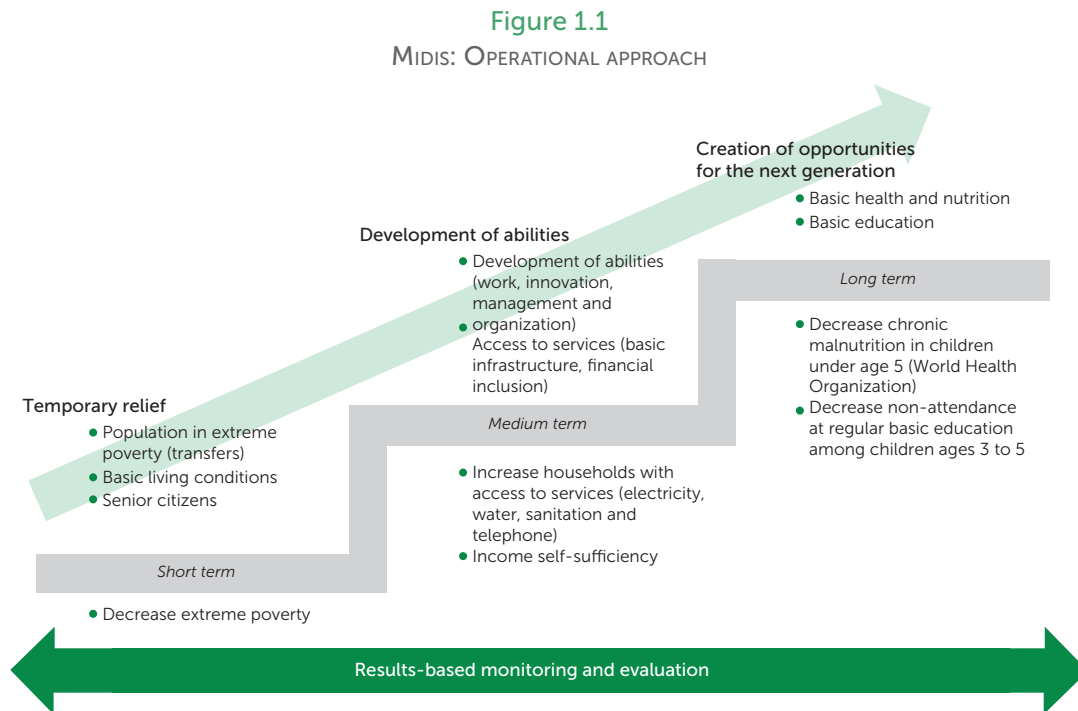
The Ministry's human development approach was based on that originally devised by Mahbubul Haq and Amartya Sen, which holds that «the basic purpose of development is to enlarge people's choices ... [and] to create an enabling environment for people to live healthy lives» (Haq 1999). Following Sen, MIDIS assumed that the goal of human development is not only to increase the economic growth rate, but to create conditions and opportunities to enhance human life; according to this view, economic wealth is ultimately just one dimension of people's lives, and not the ultimate purpose (Sen 1993). MIDIS therefore committed to a policy for development and social inclusion that focused on people and their potential. Based on accumulated global know-how about measuring human development, which focuses on capabilities (United Nations Development Program 2009), the Ministry designed and implemented a series of instruments designed to generate evidence, as well as for monitoring and evaluation of prioritized policy outcomes.

The Ministry defined «social inclusion» as «the situation in which all persons can exercise their rights, use their skills and take advantage of the opportunities they find around them» (Ministry of Development and Social Inclusion 2013a).

Once there was consensus on the definition, it had to be put into operation. Building on the human development approach, MIDIS designed a model based on three complementary time horizons: short, medium and long term.

- › In the *short term*, through direct assistance programs, the effort focuses on providing temporary relief from conditions of exclusion and poverty that households face. The goal is for families to face daily life with the minimum resources they need to exercise their rights and gain access to the public services to which they are entitled.
- › In the *medium term*, the emphasis is on developing the capabilities that enable households to engage—in a sustained way and with dignity—in processes that enable them to overcome the poverty and exclusion that affect them. Efforts focus on greater access to a package of basic services and infrastructure, as well as on increasing self-sufficiency in the provision of sustainable livelihoods, promoting better living conditions (healthy homes, food security, etc.) and income generation (greater productivity, financial inclusion, etc.).
- › In the *long term*, interventions are promoted to create opportunities for the next generation, emphasizing aspects related to human capital: nutrition, health and quality education. The goal is to reduce the inter-generational transmission of poverty, so the children of families that currently face poverty and exclusion are not condemned to being poor and excluded, but encounter paths to inclusion.

These three time horizons should not be seen as successive stages; rather, MIDIS endeavors to mobilize results in all of them simultaneously. The challenge of policy for development and inclusion is to design and promote complementary interventions that address the short, medium and long term simultaneously.



Source: Ministerio de Desarrollo e Inclusión Social (2013a).

The consolidation of MIDIS marked the beginning of a social-policy reform grounded in a results-based approach and processes that established consistency and synergies between sectors and levels of government. Results-based management (RBM) stresses improving performance in the management cycle to achieve outcomes. This approach also promotes accountability, capacity building, participation by strategic stakeholders, consolidation of partnerships and reajustment of institutional arrangements. MIDIS is committed to achieving results.

To guide its management and promote accountability, the sector defined a series of emblematic indicators and prioritized goals. According to its policy guidelines, it has prioritized indicators aimed at closing gaps. As Graph 1.2 shows, these include indicators associated with the goals of long-term interventions—results related to chronic child malnutrition and pre-school education; goals of medium-term interventions—access to an integrated package of services (water, sanitation, electricity and telephone) and income self-sufficiency for households; and short-term assistance to address extreme poverty and the poverty gap.

To promote consistency and synergies between different sectors and levels of government, as well as accountability, MIDIS has defined goals through the year 2016.

- Guiding principles
 - › *Recognize prior efforts.* From the outset, MIDIS sought to change the way in which social policy was designed and implemented; the goal was an approach that was both holistic and innovative. From the outset, however, the intention was to acknowledge progress that had already been made, as well as the omissions of prior efforts, in some cases. It was therefore necessary to review, systematize, analyze and incorporate prior initiatives that could help

achieve the planned outcomes. One concrete example was recognition of the approach and progress made by the national strategy known as “Crecer” (“Growing”) (see Chapter 2)² and the consolidation of tools for targeting, such as the Household Targeting System (*Sistema de Focalización de Hogares, SISFOH*), and monitoring and evaluation, such as the National System for Monitoring, Evaluation and Social Information (*Sistema Nacional de Monitoreo, Evaluación e Información Social, SINAMEIS*).

- › *Adding initiatives to efforts already under way.* Besides those efforts, MIDIS’ initial approach focused on aligning its main actions with processes that were already under way. This included both sector-based initiatives and regional and local efforts. This largely implied distancing itself from the conventional *modus operandi* of public policy, which consists of starting all processes from scratch, in order for the current administration to claim all credit. At the regional level, especially, efforts to link social policy to prioritize outcomes related to chronic child malnutrition and economic inclusion dovetailed well with three regional initiatives: two that were under way—the Crecer Wari Regional Strategy, led by the Ayacucho Regional Government, and the Program of Integral Strategies for Improvement of Child Nutrition (*Programa de Estrategias Integrales para el Mejoramiento de la Nutrición Infantil, PAINMI*), led by the San Martín Regional Government—and another that was in the launch phase, the Regional Crecer en Libertad Strategy, led by the La Libertad Regional Government (See Chapter 5). At the sector level, the creation of the Fund for Economic Inclusion in Rural Areas (*Fondo para la Inclusión Económica en Zonas Rurales, FONIE*) facilitated consistency and synergies among sectors that, in principle, should coordinate efforts to help the most vulnerable areas of the country: Energy and Mines, rural electrification; Transportation and Communications, roads and telecommunications; and Housing, Construction and Sanitation, water and sanitation.
- › *Focus efforts on people.* Social policy aims to organize a series of government actions to help improve people’s quality of life. So much for definitions. In practice, this intention runs up against the need to demonstrate progress, meet goals and spend budget funds. This often distances goals from people. From its creation, MIDIS assumed that both policy initiatives and the social programs under its responsibility should focus on people and on the results that could be achieved for them. Targets associated with a series of results were therefore defined, prioritized and projected using a life-cycle approach.
- › *Orient initiatives toward results.* Changing paradigms about the way social policy operates is not easy. Besides the technical challenges, which are not insignificant, there is the political challenge of showing that the innovations implemented are aimed at bringing about tangible changes for people. One alternative is to define the changes that are expected in the population and the mechanisms for achieving them. In other words, designing the way forward implies prioritizing the results to be achieved and defining clear targets. MIDIS’ option for results, both conceptually and in operation, was clear from the very beginning. The team agreed with a human development approach

2. See Presidencia del Consejo de Ministros (2007).

focusing on access to opportunities, while also recognizing the contribution of recent reforms, such as the Results-Based Budgeting instituted by the Ministry of Economy and Finance (MEF) in 2007. One hundred days after its creation, MIDIS published a document entitled, *MIDIS cien días (MIDIS 100 Days)*, which, among other things, defined its emblematic indicators, set base-line values and established targets through 2016. These indicators included the poverty gap, the chronic malnutrition rate among children under age 5, the rate of non-attendance at regular basic education among children ages 3 to 5, the percentage of households with access to an integrated package of services, and extreme poverty measured by households' self-sufficient income. In preparation for fiscal year 2012, the Ministry responded to the need to ensure that budgets for its programs were shifted to the model of Results-Based Budgeting.³

- › *Measuring to generate evidence for decision-making.* As a corollary to the process described above—cumulative social policy leading to the need for a people-centered approach that required prioritizing results—measurement was crucial for implementing policy for development and social inclusion. In this case, however, measurement was understood as a means, not an end. Periodically and systematically recording information about progress toward goals led measurement to be seen as a trademark of MIDIS policy (see Chapter 3). Various instruments—control panels, checklists, evaluation plans, impact and process evaluations, evidence management plans, etc.—were devised to ensure that both policy initiatives and social programs not only verified whether they were meeting targets, but promoted evidence-based decision-making processes and consolidated accountability as a government responsibility. They also included timely warnings for modifying, supplementing or eliminating interventions that were not achieving the necessary results.

Although certain issues could have been addressed more emphatically from the start, they were not an initial priority because implementation was seen as a gradual effort, which began by focusing on the people living in the situation of greatest vulnerability. Issues such as urban poverty, Amazonian indigenous communities, people with disabilities, etc., therefore had to be addressed because they met the established vulnerability criteria.

The need to manage such a complex task so quickly did not allow time to rethink everything from scratch. The decision was therefore made to learn and draw lessons from prior experience. Available information and initiatives already under way were also used. Overall, and despite the constraints, MIDIS made great strides in a very short time. Although it would be arrogant to assume that the task of implementing coordinated, synergistic, efficient, results-oriented policy for development and social inclusion is finished, we modestly believe that it has been launched and is under way.

3. Of the five programs that under MIDIS' responsibility in 2012, only one, Juntos, used Results-Based Budgeting. In the 2014 budget, which was prepared during the first half of the preceding year, about 90 percent of MIDIS resources were managed that way.



Results-based orientation and alignment: toward the organization of coordinated, synergistic policy for development and social inclusion

Peru's social policy is currently in one of the most auspicious phases in the country's history. One need only look at the way in which it has been positioned, with a human development approach at the center of the government's priorities, and has become one of the key points of the public policy agenda. This new phase is also characterized by the definition of clear policy objectives, accompanied by regulatory and technical instruments for achieving those objectives. This is the result of a learning process to which a series of public-sector, academic and private-sector actors have contributed.

A key starting point was the assembly of a critical mass of good ideas, which, accompanied by a favorable political context and sufficient resources, laid the groundwork for the current social policy model adopted by the Peruvian government. These elements—good ideas, political will and available resources—have been necessary, although insufficient, conditions for launching the process described above. To consolidate a successful social policy model, it is crucial to build consensus about the changes to be achieved and the processes associated with them; to create this consensus, social policy management must be based on objective, measurable results that can be presented transparently in the public and political debate that is a pillar of the democratic system. Experience shows that without clear, consensus-based, people-focused results, it is difficult to make social policies viable and sustainable.

The definition of social policy objectives reveals the complexity and the multidimensional nature of the actions necessary for achieving them. The concept

of coordinated, synergistic social policy emerges as a key mechanism for the success of public interventions, particularly in the Development and Social Inclusion sector.

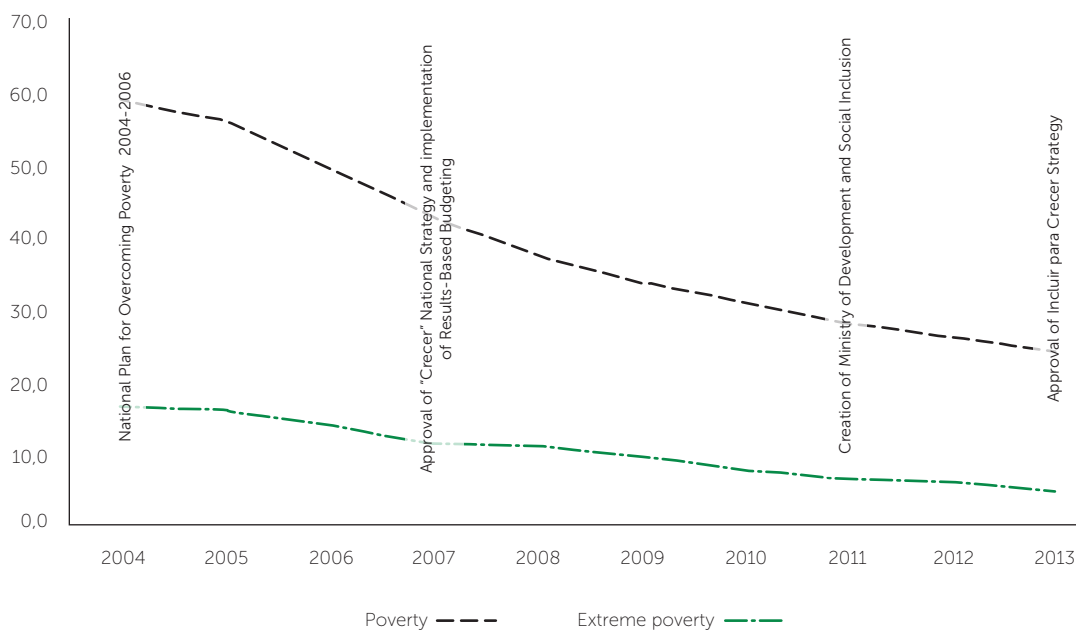
This chapter describes the background of efforts to organize coordinated, synergistic social policy; the challenges that arose in implementation, associated with decisions made when MIDIS was created; and unresolved dilemmas posed by recent experience, which raise issues still open to discussion. The processes summarized here are not a formula for organizing coordinated, synergistic social policy, but we hope that discussing them will contribute to an exchange of ideas for consolidating a model that is still under construction.

2.1 Background of the organization of coordinated, synergistic social policy

Progress on the design of social policy and its influence on the national agenda is not new; that process has been marked by a series of milestones. At least five deserve mention: creation of the National Plan for Overcoming Poverty (*Plan Nacional de Superación de la Pobreza*, 2004),⁴ approval of the national strategy known as “Crecer” (“Growing”) (*Estrategia Nacional Crecer*, 2007), implementation of the results-based budgeting system (2007), creation of MIDIS (2011), and approval of the “Incluir para Crecer” (“Including for Growing”) National Strategy for Development and Social Inclusion (*Estrategia Nacional de Desarrollo e Inclusión Social Incluir para Crecer*, 2013). These milestones have been part of a process that has resulted in a steady decrease in average levels of poverty and extreme poverty (see Graph 2.1).

Graph 2.1

SOCIAL POLICY INSTRUMENTS AND POVERTY RATES



Source: INEI. Compiled by authors.

4. See Presidencia del Consejo de Ministros (2004).

Despite the importance of these milestones, most have not been part of a strategic vision of social policy, in which the concept of coordinated, synergistic organization should be a key element. These shortcomings made it difficult to consolidate social policy as state policy.

It must be recognized, however, that recent efforts to implement coordinated, synergistic social policy are the result of a series of past actions that were designed to shape the new social-policy model. This chapter examines three examples in which prior efforts in different areas led to coordinated, synergistic policies and interventions. The three examples are drawn from very different experiences: the academic sphere, social policy experience in the region, and the experience of national public policy.

- **First antecedent. Evidence about rural households' assets and vulnerability**

The study by Escobal and Torero (2004) was useful, because it provided rigorous evidence that combining multiple social policy initiatives has a positive effect on people's quality of life. The authors quantified the differential impact on poverty of a series of investments, as well as the effect of their interaction. The dimensions studied included three types of infrastructure and public services: traditional infrastructure (transportation, water and sanitation, and electrification, for example), public services aimed at developing human capital (education and health, for example), and information and communication technologies (telephone and Internet, for example).

The results of the study showed the combined effect of the delivery of public infrastructure on rural households. First, the findings indicated that the positive effect—on income and welfare—of having access to more than one of the assets or services at the same time was significantly greater than a sequential process of access to the same assets or services. In some cases, the combination of one or more assets increased the impact on household welfare by more than the sum of their individual effects; the effect was sometimes exponential.

- **Second antecedent. Chile Solidario System: organization of coordinated, synergistic social policy**

The Chile Solidario (Chile in Solidarity) System, created in 2002, is a social protection policy instrument in which a rights-based approach is used to promote consistency and synergies among key areas of social policy, such as education, health and social security. Chile Solidario takes a life-cycle approach and is aimed at enabling people to develop strategies for confronting adversity. Chile Solidario has four components: the system for selecting beneficiaries for cash payments, psycho-social support programs and preferential access to social programs, in which institutions in the areas of Health, Education, Labor, Housing and Justice, among others, enter into commitments with the Ministry of Social Development to give priority to Chile Solidario beneficiaries, and targets are defined and resources allocated to ensure that services are provided effectively. This program's main contribution is that it put into operation a life-cycle-driven organization of consistency and synergy in social policy. This model also defined an operational path for achieving results in a priority

population: households in extreme poverty, adults over age 65 living in poverty, and people living on the street.

- **Third antecedent. The “Crecer” National Strategy**

The national strategy known as “Crecer” (“Growing”) (Estrategia Nacional Crecer) was conceived as a coordinated, synergistic intervention for combating poverty and chronic child malnutrition. The goal was to decrease malnutrition in children under age 5 by nine percentage points by 2011, with priority on those under age 3 in situations of vulnerability. The strategy identified three intervention areas: a) development of human abilities and respect for fundamental rights, b) promotion of economic skills and opportunities, and c) a social protection network.

Given its purpose, the design of the national strategy involved two types of organization for consistency and synergy: horizontal and vertical. The horizontal part organized the multi-sector intervention that involved national government agencies and committed them to participating in the implementation of coordinated joint actions so that government services would provide integral assistance to children and pregnant women. Vertical organization was associated with the intervention of the three levels of government in managing programs and services for combating chronic child malnutrition.

These three examples, like many others, led to reflection aimed at consolidating a coordinated, synergistic approach to social policy in our country. Among these reflections: a) in social policy, the effects of interventions cannot be analyzed in isolation, and in many cases, they cannot be considered the «simple sum» of the interventions or social programs that make up social policy; b) to promote the effective organization of coordinated, synergistic processes, it is important to have inter-sectorial management models in which the various coordinators or service providers participate, keeping in mind that they must operate on principles of timeliness and synchronicity that also take into account the characteristics of the population and its surroundings; and c) a results-based approach is key to the overall success of social policy. With regard to the latter, meeting the specific goals of a sector, intervention or program is a necessary, but insufficient, condition for achieving population-focused policy results. Success requires the involvement of various stakeholders who operate with a sense of shared responsibility.

2.2 Challenges for the organization of a coordinated, synergistic Development and Social Inclusion sector

Because social policy is now at the center of public policy, with a solid institutional structure made possible through the creation of MIDIS, organization of coordinated, synergistic policy is an excellent way to catalyze the priority results of the Development and Social Inclusion sector. For that process to succeed, however, it is crucial to clearly identify the main challenges. We identify three related to the creation of MIDIS:

- **First challenge. Scattered approaches, strategies and efforts related to social policy management**

As indicated above, in recent years the country has made great strides in defining, prioritizing and consolidating key areas of social policy. The launch of the “Crecer” National Strategy was emblematic. The strategy focused on reducing chronic child malnutrition by building on a platform of vertical and horizontal coordination and synergies among sectors. Despite the progress, however, there is still no comprehensive policy instrument that encompasses the priority results of the Development and Social Inclusion sector and organizes the efforts efficiently for consistency and synergies.

- **Second challenge. Limited capacity for management of social inclusion**

Besides progress in approaches and information management, the Peruvian government has tried to make public management more professional by establishing the National Civil Service Authority (*Autoridad Nacional del Servicio Civil, Servir*). The next step is to adapt guidelines and refine criteria, using Servir’s goals as a basis, to ensure that those responsible for managing social inclusion policy have the skills they need to take a results-based approach to their work.

- **Third challenge. Incipient real ability to establish coordination and synergies between sectors and levels of government**

It is now clear that a coordinated, synergistic approach is a condition for achieving common outcomes. A series of venues have been established to promote the exchange of ideas, improve coordination and avoid duplication of efforts. Despite huge strides, however, these initiatives must be accompanied by mechanisms—regulatory, budgetary and operational—that have an impact on the management of social policy processes.

2.3 Decisions on the learning curve for coordinated, synergistic social policy

Once the challenges were identified, the consequence was unavoidable: making decisions to activate the organization of coordinated, synergistic policy in the Development and Social Inclusion sector. The learning curve was steep and intense, but the opportunity more than justified it. The effort to organize became the most urgent task, and the process began without delay. This involved three decisions: designing an instrument to guide results-based social policy, validating this model in territories and defining an institutional platform to ensure that it could be put into practice. These decisions translated into three instruments for the organization of coordinated, synergistic social policy: the “Including for Growing” (“Incluir para Crecer”) National Strategy for Development and Social Inclusion (*Estrategia Nacional de Desarrollo e Inclusión Social Incluir para Crecer*), the Pilot of Territorial Synergies in Social Policy, and the National System for Development and Social Inclusion (*Sistema Nacional de Desarrollo e Inclusión Social, SINADIS*).

- **First decision. Designing an instrument to guide results-based social policy: “Including for Growing” National Strategy for Development and Social Inclusion**

Building on lessons learned from the experiences described in the «Background» section, the National Strategy for Development and Social Inclusion (*Estrategia Nacional de Desarrollo e Inclusión Social*, ENDIS) would make a results-based management approach to social inclusion operational. ENDIS aimed to organize and harmonize the approach taken by interventions by the national, regional and local governments and budget programs to achieve outcomes that were priorities for the Development and Social Inclusion sector. The design of ENDIS was based on a series of guidelines that aimed to overcome aspects that had previously limited the achievement of social policy outcomes. It was determined that previous efforts were characterized by very complex or abstract approaches, and it was therefore important to focus them. There had also been great emphasis on «branding» and on outputs, so it was important to prioritize results-driven processes and move from «declarative» to «effective» organization of a coordinated, synergistic approach, which had consequences for the management cycle. Finally, integral capacity building and the active involvement of social policy implementers were crucial throughout the process.

Conceptually, ENDIS was designed using the household as the unit of analysis for social policy, as that is where the various stages of the life cycle converge and it is the natural recipient of government interventions. This led to the definition of a series of strategic inter-sectorial or inter-governmental areas, which translated the priority results for the Development and Social Inclusion sector: child nutrition, early childhood development, development of children and adolescents,⁵ and economic inclusion. When the cycle was complete, protection for senior citizens was added.

Methodologically, to reinforce its binding nature, the strategy included the definition of two instruments for each strategic area: a logical model and a matrix of goals and indicators. The logical model summarized existing evidence for achieving the results, emphasizing effective interventions. The matrix of goals and indicators defined the base-line values and those expected to be attained by 2016 in the logical model. Both instruments would facilitate monitoring, evaluation and accountability.

To consolidate the organization of coordinated, synergistic policies, the strategy also aimed to promote regional and local leadership by complementing initiatives already under way in the territory. The rationale was that, in a context of decentralization, the role of regional and local governments—as natural leaders of the the organization of a coordinated, synergistic approach to the territory—is crucial for sustainable social inclusion.

The strategy was approved by supreme decree in April 2013, and has since served as a platform for the design of a series of complementary instruments and operational guidelines for achieving results within the Development and Social Inclusion sector’s framework of coordination and synergies. As discussed in the

5. The third strategic area was originally called *skills for life*, because the aim was to build skills for the educational, occupational and personal development of children and adolescents.

following chapters, these include efforts in the areas of chronic child malnutrition and early childhood development, such as Fone.

- **Second decision. Validate the model for organization of coordinated, synergistic social policy in the territory: Pilot of Territorial Synergies in Social Policy**

Over the years, Peru has made major efforts to coordinate inter-sectorial and inter-governmental actions aimed at reducing poverty. As noted above, however, those efforts have not been very effective. The creation of MIDIS represented a new opportunity to create an effective system for organization of coordinated, synergistic social policy to improve the quality of life of the country's most vulnerable households. ENDIS was one such effort. Processes were key to the development of results-based instruments. It was therefore crucial to validate the ENDIS model in the territory. To do so, the Pilot of Territorial Synergies in Social Policy, known as P-20, was designed.

The main objective of P-20 was to validate the processes for territorial organization of coordinated, synergistic social policy based on the strategic areas of ENDIS and identify lessons learned for the design and implementation of SINADIS. P-20 made it possible to identify a series of instruments and procedures for promoting models of inter-sector and inter-governmental coordination and synergies related to the Development and Social Inclusion sector's priority results. P-20 would also be accompanied by a strategy of work with regional governments, which would consolidate a platform for aligning social inclusion initiatives in the territory with regional agendas.

In designing P-20, the decision was made to select a heterogeneous group of provinces that reflected diverse socio-economic processes and contexts, as well as a significant range of needs and potentialities. That heterogeneity, in turn, called for a social policy intervention that focused on the same results, but probably with different emphases, routes and time frames. P-20 aimed to generate evidence and lessons about these elements.

Methodologically, the selection of provinces consisted of identifying those that included districts in which more than 50 percent of the population lives in extreme poverty. Within that group, priority was placed on provinces that had at least one district in extreme poverty. Based on that list, considering rates of population growth and incidence of poverty in recent years, 20 provinces were identified—hence the name P-20—in 12 regions of the country. These were divided into three groups, based on their characteristics:

- › *More-vulnerable provinces.* Those in which the incidence of poverty was increasing while population growth was negative; in other words, provinces from which people were emigrating, and which had increasing poverty rates. This group consisted of Celendín and San Marcos (Cajamarca), Anta (Cusco), Tayacaja (Huancavelica), Otuzco (La Libertad), Ayabaca and Huancabamba (Piura), and Carabaya (Puno).
- › *Less-vulnerable provinces.* This group consisted of provinces that, while having at least one district with a high incidence of extreme poverty, showed overall population growth for the province and a decrease in the incidence of

poverty. This group included Condorcanqui (Amazonas), Huanta (Ayacucho), Huancavelica (Huancavelica), Dos de Mayo (Huánuco), Datém del Marañón (Loreto) and Lamas (San Martín).

- › *Intermediate provinces.* This group included provinces that showed a decrease in poverty rates and stagnant or negative population growth. It consisted of Grau (Apurímac), Páucar del Sara Sara and Víctor Fajardo (Ayacucho), Jaén (Cajamarca), Churcampa (Huancavelica) and Santiago de Chuco (La Libertad).

The selection of the 20 provinces that were part of the Pilot of Territorial Synergies in Social Policy also ensured the inclusion of provinces with a high concentration of population in poverty, provinces in the Andean and Amazonian regions, and provinces located in the northern, central and southern parts of the country.

P-20 was organized into four phases:

- › *Assessment and preparation.* There was an explicit commitment from the Cabinet ministers involved in achieving results.
- › *Building matrices of operation.* Based on these, at the provincial level and with a participatory approach, available public investment projects were analyzed, along with the population's needs and priorities. This served as the basis for defining the results to be pursued in the areas outlined in the national strategy.
- › *Implementation of the matrices.* Through implementation of the agreements outlined in the matrices of operation, the selected indicators were monitored.
- › *Generation of lessons learned.*

All of these phases contributed lessons that would be incorporated into the sector's policy instruments and SINADIS.

At the end of the pilot period, P-20 generated a series of lessons associated with the formulation of social policy at a territorial scale. Based on the participatory exercise carried out in each of the 20 selected provinces, matrices of operation were developed that prioritized various results associated with areas of the national strategy, the interventions' territorial scope was analyzed, and the stakeholders involved were prioritized. A total of 183 consensus-based results were identified, mainly in the areas of economic inclusion and child nutrition.

P-20 also activated mechanisms for participation involving a series of stakeholders connected with public management: officials in provincial municipalities, personnel from government agencies, coordinators of national government programs and civil society organizations. An average of 45 people participated in each workshop organized by P-20. Nevertheless, the limited participation by officials and staff from district governments was notable and could reflect the difficulties they face because of the lack of a coordinated, synergistic approach to policy (Ministerio de Desarrollo e Inclusión Social 2013d).

The consolidation and monitoring of P-20's efforts is extremely important for the sustainability of policy for development and social inclusion at the territorial scale and the definition of the type of presence that this sector should maintain in the different territories.

- **Third decision. Defining an institutional platform to ensure implementation of processes for the organization of coordinated, synergistic social policy: el SINADIS**

As part of the creation of MIDIS, SINADIS was established in October 2011. This system provided the institutional platform that facilitated the results-based management approach that would guide the Development and Social Inclusion sector. The system supported inter-sectorial and inter-governmental decision-making involving, among other things, implementation of the national strategy. SINADIS' first milestone was the establishment of regulations for its operation, which, as noted above, were based on lessons learned from the implementation of P-20.

SINADIS was conceived as a functional system that would guarantee that the priority results of the country's social policy would be achieved, based on inter-sectorial and inter-governmental coordination and synergy in the various phases of the public management cycle. In the first phase, to facilitate its implementation, SINADIS would be associated with the national strategy. In terms of its operation and scope, however, the system eventually was expected to go beyond that strategy. In short, SINADIS would guarantee coordination and synergies among the phases and administrative and/or information sub-systems associated with achievement of priority results in the Development and Social Inclusion sector. The system would thus enable processes to be made operational through 1) the activation of «alerts», 2) the creation of instruments, 3) the offering of incentives, and 4) capacity building throughout the various phases of the public management cycle.

MIDIS currently has a proposal for operational regulations for SINADIS. They establish that the system's purpose is to «guide, organize synergies, integrate, coordinate, monitor and evaluate the application of policy for development and social inclusion aimed at reducing existing gaps and improving living conditions, especially for the population living in poverty and exclusion, reducing poverty, inequalities, vulnerabilities and social risks.» Given the scope of the system, its synergistic integration with other public policies is clear. The operational regulations note that all sectors involved in fulfilling this norm should integrate, in their design and application, the guidelines of the strategic areas of the National Strategy for Development and Social Inclusion, which also includes current functional and administrative systems. Operationally, responsibility for SINADIS lies with a Technical Committee (*Comité Técnico de Articulación*) consisting of a representative from MIDIS, who acts as committee president, and from the Ministry of Economy and Finance and the Office of the President of the Council of Ministers. The committee is inter-sectorial and will have the mechanisms necessary to integrate the representatives of the relevant sectors or entities. On inter-governmental matters, the committee will foster groups that include representatives of the National Assembly of Regional Governments (*Asamblea Nacional de Gobiernos Regionales*, ANGR), the Association of Municipalities of Peru (*Asociación de Municipalidades del Perú*, AMPE) and/or the Network of Urban and Rural Municipalities of Peru (*Red de Municipalidades Urbanas y Rurales del Perú*, REMURPE). These operational regulations are currently awaiting approval from the Ministry of Economy and Finance.

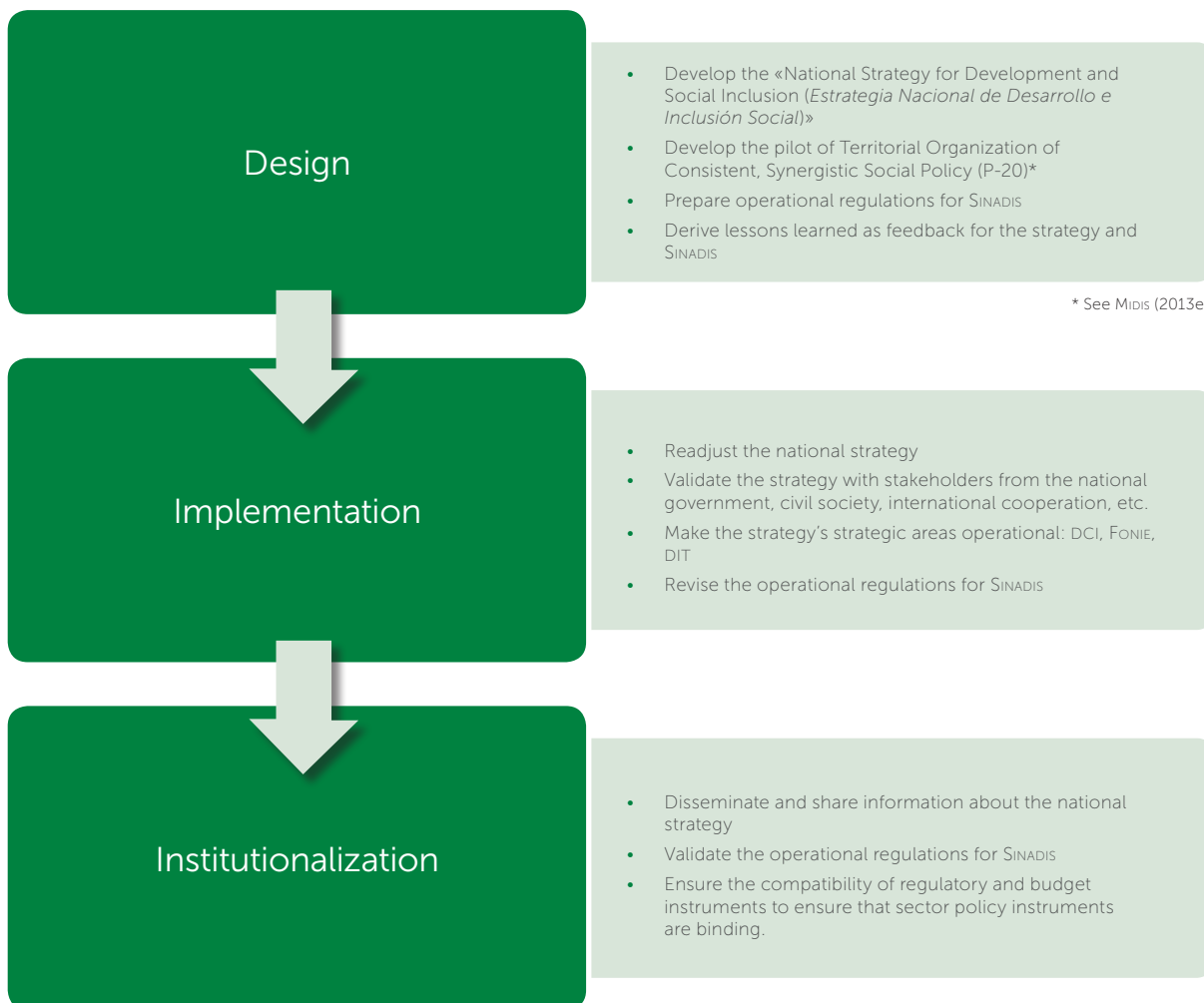
In short, making decisions for the organization of coordinated, synergistic policy in the Development and Social Inclusion sector has not been free of challenges. Among other things, it was necessary to ensure that decisions were

consistent with each other and were «connected.» The three decisions that were made were part of a logical sequence that consisted of three stages: a) design—for example, conceptualization and development of preliminary versions; b) implementation—for example, validation and readjustments to preliminary versions, for subsequent implementation through complementary instruments; and c) institutionalization—for example, definition of institutional arrangements for the consolidation of efforts within the framework of regular operation of public management processes (see Figure 2.1).

In practice, the three instruments for organization of coordinated, synergistic policy were conceived as part of a single process for organizing social policy «from within» and guaranteeing consistency among the decisions to optimize achievement of outcomes. Thus, the national strategy formed the basis for the design of P-20, which in turn was the instrument that generated lessons and evidence for the conceptualization of SINADIS, which, to close the cycle, would define the processes for implementation of the approach for ensuring consistency and synergies in the strategy's social policy.

Figure 2.1

MIDIS: SEQUENCE OF INSTRUMENTS FOR SYNERGISTIC POLICY FOR DEVELOPMENT AND SOCIAL INCLUSION



2.4 Dilemmas of a coordinated, synergistic approach (or how to institutionalize «one plus one equals more than two»)

Analysis of efforts to organize coordinated, synergistic social policy indicates that significant progress has been made, and also points to a series of lessons and dilemmas related to institutionalization, measurement and research, and consolidation of capabilities.

- **First dilemma. Reinforce conventional mechanisms for coordination or address the concept of *primus inter pares* in the organization of coordinated, synergistic social policy**

Since its creation, MIDIS has faced the challenge of leading a process among peers. Because of the nature of the results it pursues, the organization of coordinated, synergistic social policy requires the involvement of a series of sectors, which must be led by the Ministry, through instruments and regulations. In practice, however, MIDIS is just another sector; this raises a question about the «supraministerial» mechanisms required to direct the process with the necessary leadership.

- **Second dilemma. Consolidate MEF's coordinating role or «de-MEF-ify» the organization of coordinated, synergistic social policy**

In practice, MEF has operated as the great organizer of coordinated, synergistic social policy thanks to the «incentives» at its disposal. The creation of MIDIS, however, assumed a radical shift from that approach to a balance among sectors that translated into decision-making and the design of instruments for organizing coordinated, synergistic social policy. The dilemma remains, however, in terms of how to align decisions about policy with decisions about public investment and budget allocations. Developing regulations for institutional arrangements to consolidate a balanced model is a priority.

- **Third dilemma. Promote a strategy for independent regional coordination, one by one, or consolidate the organization of a coordinated, synergistic approach to social policy with regional and local governments**

The organization of a coordinated, synergistic approach to social policy will have only relative success if it does not constantly involve regional and local authorities. It is therefore important to consolidate efforts and instruments for joint work, so the alignment of national and regional agendas, allocation of resources and technical assistance promote mechanisms for achieving results. Another dilemma is whether to orient national, regional and local agendas toward the same results, so local governments respond to a regional strategy. That makes the consolidation of work with AMPE, ANGR and REMURPE crucial.

- **Fourth dilemma. Encourage measurement only by the sector or promote shared responsibility with agents outside the social-policy sphere**

Every social policy innovation should be accompanied by a process aimed at creating evidence about its performance. Another dilemma, therefore, is this: although the Development and Social Inclusion sector has instruments for evaluating progress

(for example, the Annual Evaluation Plan, control panels and checklists), should entities outside the sector also ensure the creation of knowledge and ongoing reflection about progress, so as to readjust results-based interventions for consistent, synergistic policy? Universities and think tanks play a crucial role in this, and the consolidation of a strategy for collaboration is pending.

In conclusion, Peru's social policy appears to be in one of its most auspicious phases. Despite the challenges, lessons have been learned and processes established for the organization of coordinated, synergistic policy. The task now is to continue adding, so that «one plus one equals more than two»—much more—and to ensure that this effort to drive human development with public policy leads to lasting outcomes.



Measurement and accountability in policy for development and social inclusion: toward an evidence-based approach

As part of the Peruvian government's effort to promote human development, the law that created the Development and Social Inclusion sector included—for the first time in the history of Peruvian public policy—the creation of a Vice Ministry of Policies and Evaluation, as an initial step toward committing this new sector, and its ministry, to giving a leading role to evaluation in its operations. The creation of this vice ministry sent a clear signal: give evaluation a role from the very beginning—evaluations for learning and improving, for abandoning things that do not produce results, and for accountability to citizens—and taxpayers—about the results of investment in this sector.

3.1 Background of measurement of policy for development and social inclusion

The inclusion of evaluations in MIDIS' structure was important for several reasons. First, this was the first time that the issue had been included at such a high level in a public entity. Second, it made explicit the need to evaluate and improve social policy interventions, especially those associated with temporary, targeted social programs. Third, it paved the way for defining targets, monitoring indicators and accountability measures for interventions for development and social inclusion. These three points are the key to effective interventions with explicit objectives, clear costs and results, and rigorous evaluations that allow interventions to be improved based on recommendations from solid studies or abandoned if they do not generate positive outcomes.

During MIDIS' early months, therefore, emphasis was placed on developing an evaluation strategy to clarify both its accomplishments and the way in which evaluations and monitoring would be used. The strategy, called "Knowing for Including" (*Conocer para Incluir*), included guidelines and instruments for monitoring, evaluation and evidence management that facilitate greater effectiveness, efficiency and transparency in policies and interventions in the areas of development and social inclusion managed by MIDIS.

To implement monitoring and evaluation tools to improve policies, one urgent task was to define clear goals for the sector. Because the sector's mandate was to support efforts to combat poverty, as well as inequality, four key milestones were identified to ensure that the evaluations fulfilled their purpose: define the sector's target population (who must be assisted and what must be achieved by assisting this group?), propose a series of targets to be achieved during the government's term in office, create monitoring instruments and establish an evaluation plan that not only identifies what will be evaluated, but which also proposes how the results of the evaluations will be processed, and, especially, how those results will provide feedback for the design and implementation of the sector's policies and programs.

3.2 Challenges for measurement of policy for development and social inclusion

- **First challenge. Introduce a monitoring and evaluation mindset into policy for development for development and social inclusion**

The first challenge was to highlight the importance of rigorous evaluations and create an organized, predictable evaluation plan while designing a monitoring system for social programs and policies. To do this, MIDIS created a General Office of Monitoring and Evaluation (*Dirección General de Seguimiento y Evaluación*), which included two offices, one for Monitoring and the other for Evaluation. The former created instruments such as *InfoMIDIS*⁶ to monitor programs, as well as control panels; the second developed an Annual Evaluation Plan that joined forces with the local and international academic community and committed the private business sector to participate in the process. One good example of this type of synergy with stakeholders outside of the private sector was the Quipu Commission.⁷ All of the work related to evaluation and monitoring also created inputs for defining targets that were not only plausible, but also measurable, in specific areas.

6. See *InfoMIDIS* at <<http://www.midis.gob.pe/index.php/es/infomidis>>.

7. The Quipu Commission was created at the initiative of MIDIS and MEF in 2012 and received technical assistance from J-PAL, Innovations for Poverty Action (IPA) and Business Solutions against Poverty (*Soluciones Empresariales contra la Pobreza*, SEP). The commission consisted of well-respected Peruvian academics and international advisers. The final report was submitted in December of that year and included seven public policy proposals: (1) financial inclusion in rural areas through point-of-sale technologies, (2) promotion of healthy practices in families for the prevention of chronic child malnutrition, (3) strengthening management of integral assistance for the prevention of chronic child malnutrition, (4) attacking the root causes of chronic child malnutrition in Peru through the Cuna Más program, (5) impact evaluation of a revitalized school lunch program, (6) training for the job market or entrepreneurship and (7) organization of consistent and synergistic public policies through monitoring, supervision and ongoing improvement in selected priority actions (MIDIS, 2012d). Details about the experience are available at <http://www.midis.gob.pe/dgsye/evaluacion/comision_quipu.html>.

- **Second challenge. Design a strategy with explicit results to be achieved and with clear targets**

As explained in Chapter 1, ENDIS was approved by the Council of Ministers as an instrument for planning and evaluation of results in the new Development and Social Inclusion sector. ENDIS has been crucial for providing a basis for logical models and defining priorities and targets for each of the results that the Ministry identified as priorities. This constitutes a central framework that allows MEF to oversee the process. To achieve greater coordination and synergy, however, it is necessary to use SINADIS; the system's regulations stipulate that MEF, MIDIS and the PCM are responsible for the system.

- **Third challenge. Link results of the evaluation with commitments and their consequences**

When MIDIS received the five social programs for which it was responsible, only Juntos operated on a results-based budgeting model. One priority objective, therefore, was to ensure that all social programs managed by MIDIS functioned according to that model. This commitment was based on the idea that this would address concern for effective public spending aimed at bringing about change, while making it possible for MIDIS' interventions and MEF to use a common language and operating style. By 2014, more than 90 percent of MIDIS' budget and all of its social programs were operating according to that model. It was also important to work on schemes for calculating the cost the services provided by MIDIS' programs, so that budget issues could be discussed based on that information; once unit costs are known, the tasks of negotiating budgets and setting targets for coverage are easier and more transparent.

- **Fourth challenge. Develop proposals for new management instruments that are feasible, measurable and cost-effective**

Because of MIDIS' obligation to propose effective models of coordination, proposals were always developed in partnership with MEF, seeking simple implementation mechanisms, with clear objectives and well-defined incentive schemes. A good example of this type of instrument was the creation of FONIE.⁸ Modifications were also made to instruments under MEF's responsibility that promote inter-governmental synergies, such as the municipal incentives program or the Fund for Promotion of Regional and Local Public Investment (*Fondo de Promoción a la Inversión Pública Regional y Local*, FONIPREL). This idea of designing consistent incentive schemes that combine social and economic elements is powerful and merits further in-depth exploration and experimentation.

8. FONIE was created in December 2012 to finance public investment projects in their pre-investment, implementation and maintenance phases, under both public-sector entities and private agents. These projects were meant to reduce basic infrastructure gaps in areas in poverty quintiles 1 and 2, in the VRAEM and Upper Huallaga, in border areas and in places where more than 50 percent of the population was identified as being in the process of development and social inclusion (PePI). Fonie was created under Article 23 of Law 29951, the Public Budget Law for fiscal year 2013 (available at <http://www.midis.gob.pe/dmdocuments/fonie_ley29951_art23.pdf>). The implementing regulations for the law were approved by Supreme Decree (Decreto Supremo) 004-2013-MIDIS (available at <http://www.midis.gob.pe/dmdocuments/DS_004_2013_MIDIS_FONIE.pdf>).

3.3 Decisions on the learning curve for measurement of policy for development and social inclusion

The challenges described in the preceding section led to a series of interrelated decisions that were intended to reinforce the decision to promote a policy that would emphasize measurement and was actually based on evidence.

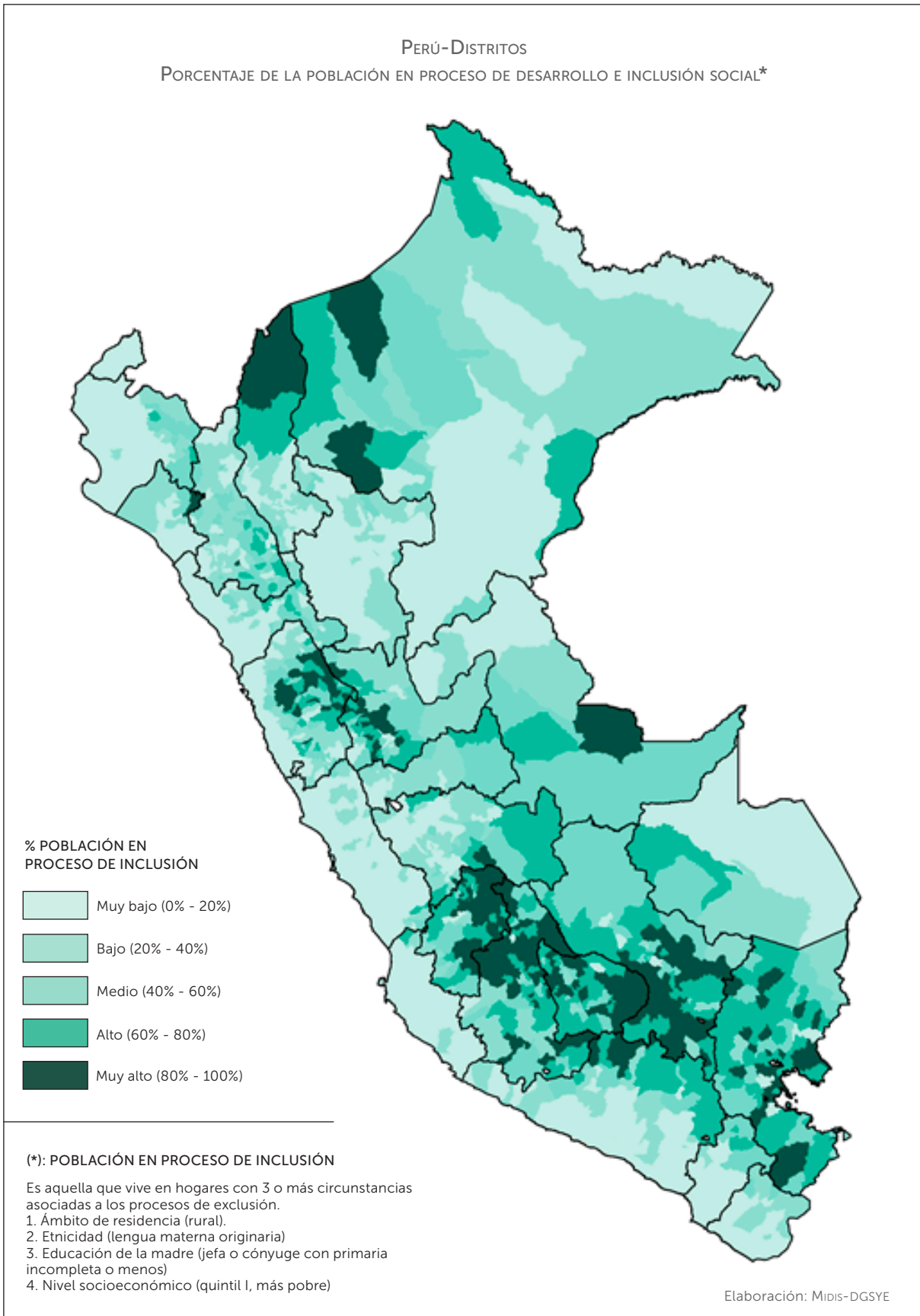
- **First decision. Define an emblematic population rather than a target group**

MIDIS' goal was to reduce the gaps between the country's different population segments, to ameliorate the vulnerability of the groups living in the greatest poverty and exclusion. According to the Ministry, this would be achieved by designing and implementing a series of policy initiatives and social services with a territorial approach. The ministry focuses its interventions on a priority population known as the *population in the process of development and social inclusion* (PePI, for its Spanish initials).

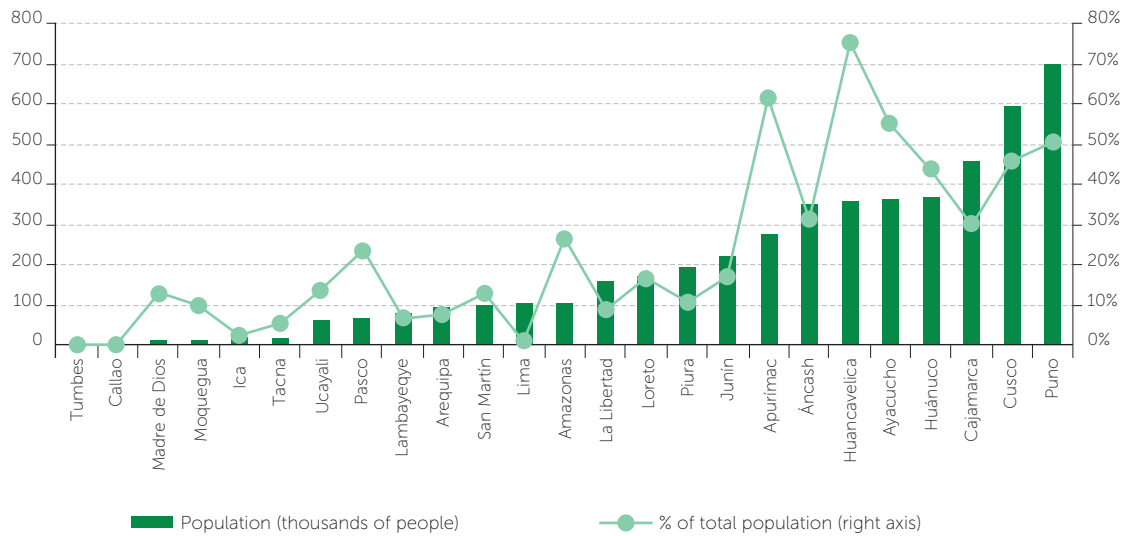
The definition of the PePI is based on a multi-dimensional approach to measuring poverty, which includes monetary and non-monetary criteria. In operational terms, the PePI comes from households that are characterized by at least three of the four circumstances associated with exclusion in our country. These include rural households—those in towns of 400 households (2,000 people) or fewer; households in which the head of household or the female partner has not completed primary school; households in which the first language of the head of household or partner is an original language (Quechua, Aimara or an Amazonian language); and households in the first quintile of national distribution of per-capita expenditures.

Regarding territorial distribution of the PePI, in relative terms, the regions with the highest percentages compared to the total population are Huancavelica (63 percent), Apurímac (60 percent), Ayacucho (50 percent), Huánuco (47 percent) and Puno (40 percent). The regions with the lowest percentage of PePI population are Tumbes, Callao, Ica and Lima, where this group represents 2 percent of the population or less (MIDIS, 2013f).

Figure 3.1
MIDIS: EMBLEMATIC POPULATION WITH TERRITORIAL APPROACH



Graph 3.1
REGIONAL DISTRIBUTION OF PEPI



Source: Estrategia Nacional de Desarrollo e Inclusión Social Incluir para Crecer (Ministerio de Desarrollo e Inclusión Social 2013a).

- **Second decision. Define a series of targets and indicators connected with priority results for the sector**

Although it seems obvious, not all sectors have a set of defined indicators, much less clearly identified targets. As a multi-sector ministry, MIDIS set out to define a set of indicators and targets, but also sought to ensure that they would reflect the progress of the Development and Social Inclusion sector overall—that is, of the series of inter-governmental and inter-sectorial interventions aimed at activating the prioritized results. It was also agreed that it would be possible to calculate the indicators using the national statistics systems, to ensure independence and transparency in their measurement.

Because MIDIS' approach prioritized closing gaps, six indicators were proposed for both the national aggregate and the emblematic population or PePI. As the following tables show, the six indicators corresponded with the three time horizons identified in the operational approach of the policy for development and social inclusion: alleviation of extreme poverty (short term); capacity building to improve households' access to the integrated package of basic infrastructure and services, and self-sufficiency in income generation and financial inclusion processes (medium term); and creation of opportunities for the next generation, emphasizing aspects of human capital such as nutrition, health and quality education (long term).



How far have we come? Results of the six MIDIS indicators as of 2013

The definition of targets based on verifiable indicators responds to the goal of acting with transparency and accountability. In this area, MIDIS has been consistent with its results-oriented policy approach. Indicators do not only measure progress, however; they also make it possible to adjust policies related to areas in which progress is slower.

Evolución de indicadores MIDIS (%)

		2013	Target (2016)
PePI	Extreme poverty	23,6	19,3
	Poverty gap	23,0	17,5
	Extreme poverty with self-sufficient income	36,6	26,2
	Chronic child malnutrition	43,8	23,8
	Households with access to integrated infrastructure package	18,3	46,1
	School attendance for children ages 3 to 5	68,7	78,4
Nacional	Extreme poverty	4,7	5,0
	Poverty gap	6,2	6,0
	Extreme poverty with self-sufficient income	7,4	7,0
	Chronic child malnutrition	17,5	10,0
	Households with access to integrated infrastructure package	64,9	70,0
	School attendance for children ages 3 to 5	76,2	85,0

Sources: Ministerio de Desarrollo e Inclusión Social (2013a) and compilation by authors based on INEI databases.

Overall, the 2013 data show a positive evolution of the six MIDIS indicators; some targets have already been met in the aggregate, and others are close to being met for excluded groups (the PePI population). The extreme poverty target has already been met, for example, and the targets related to the poverty gap and the percentage of households overcoming extreme poverty self-sufficiently are close to being met.

In some targets, however, progress has been slower than expected; these include provision of the basic infrastructure package and reduction of child malnutrition. Thanks to information provided by the indicators, it is possible to take action and respond before it is too late. The creation in 2014 of the Stimulus Fund for Performance and Achievement of Social Outcomes (*Fondo de Estímulo al Desempeño y Logro de Resultados Sociales*, FED), which encourages some regions to move more quickly in reducing chronic child malnutrition, is an example of how monitoring of social indicators can provide an early warning that leads to new policy instruments to speed up the achievement of goals.

Table 3.1

MIDIS: INDICATORS AND TARGETS OF POLICY FOR DEVELOPMENT AND SOCIAL INCLUSION

	National		PePI	
	Base line 2010	Target by 2016	Base line 2010	Target by 2016
Poverty gap	7,9	6,0	28,6	16,3
Extreme poverty	8,3	5,0	38,2	20,0
Extreme poverty calculated based on households' self-sufficient income	11,0	7,0	50,5	26,7
Households with integrated package of services	59,4	70,0	13,2	46,9
Regular basic education attendance by children ages 3 to 5 years	73,8	85,0	60,6	78,4
Chronic malnutrition in children under age 5 (WHO)	23,2	10,0	50,7	23,8

Source: Ministerio de Desarrollo e Inclusión Social (2012b).

The exercise of defining indicators and establishing targets was repeated for each strategic area of ENDIS. As the following table shows, for all areas—except early childhood development—indicators were calculated for the national average and for the PePI. In all cases, the calculations were based on sources of verification that are national in scope.

Table 3.2

MIDIS: INDICATORS AND TARGETS, BY STRATEGIC AREAS OF THE NATIONAL STRATEGY (%)

	Verifiable indicator	National		PePI		Source of verification
		Base line 2010	Target by 2016	Base line 2010	Target by 2016	
Area 1: Chronic childhood malnutrition	Rate of chronic childhood malnutrition according to WHO standard (children ages 0-5 years)	23.20	10.00	50.00	24.00	ENDES
Area 2: Early Childhood Development	Percentage of children ages 0 to 36 months who meet motor hitos—able to stand, run, and climb up and down stairs— according to Age and Stage test.	Unavailable		Unavailable		Early Childhood Health and Development Survey
	Percentage of children ages 0 to 36 months who meet language milestones —have a vocabulary of more than 50 words, can form two-word phrases— according to Age and Stage test.					Early Childhood Health and Development Survey
	Percentage of children ages 3 to 5 years who achieve the required score on the Vocabulary in Images Test (<i>Test de Vocabulario en Imágenes, TVIP</i>).					Early Childhood Health and Development Survey

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	Verifiable indicator	National		PePI		Source of verification
		Base line 2010	Target by 2016	Base line 2010	Target by 2016	
Area 3: Integral development of children and adolescents	Percentage of primary school students who achieve expected level on Student Census Evaluation (<i>Evaluación Censal de Estudiantes</i> , ECE) reading comprehension tests	28.70	51.00			ECE
	Percentage of primary school students who achieve expected level on Student Census Evaluation (<i>Evaluación Censal de Estudiantes</i> , ECE) mathematics tests.	13.80	44.00			ECE
	Percentage of secondary school students who achieve expected level (level 3) on PISA reading comprehension tests.*	10.10	32.00			PISA
	Percentage of secondary school students who achieve expected level (level 3) on PISA mathematics tests *	6.80	31.00			PISA
	Percentage of secondary school students who achieve expected level (level 3) on PISA science tests.*	8.00	31.00			PISA
	Percentage of young people ages 18 to 25 who complete secondary education.	75.30	85.00	46.00	60.00	ENAH0
Area 4: Economic inclusion	Incidence of extreme monetary poverty using self-sufficient income (population ages 18 to 64 years)	7.30	4.00	42.70	22.00	ENAH0
	Incidence of extreme monetary poverty calculated based on self-sufficient income (population ages 18 to 64 years)	27.00	18.00	81.20	45.00	ENAH0
Area 5: Protection of senior citizens	Extreme poverty rate among senior citizens age 65 and over	8.30	7.00	34.60	21.00	ENAH0
	Poverty gap in households with senior citizens age 65 and over	7.10	5.00	25.20	15.00	ENAH0
	Subjective poverty rate in households with senior citizens age 65 and over	48.20	34.00	77.60	50.00	ENAH0

*Base line data 2009.
Source: MIDIS (2013a).

These «social» targets allow monitoring of the results of policy for development and social inclusion, which, as noted above, are inter-sectorial and inter-governmental by nature. Each social sector also has its own complementary indicators to monitor its sector-based interventions. Because of their public-policy importance, the indicators proposed by MIDIS were published for the first time as part of a Multi-year Macroeconomic Framework in 2012.⁹ This document established that the country's primary economic-policy guideline was to achieve

9. See complete document at <http://www.mef.gob.pe/contenidos/pol_econ/marco_macro/MMM2013_2015.pdf>.

greater social inclusion (MEF, 2012). That made it possible for the Economy sector and social sectors to organize coordinated, synergistic, results-oriented efforts.

Because of MIDIS' experience over time, the indicators made it possible to propose targets for policy for development and social inclusion. These are an expression of political and technical will, and are therefore arbitrary. Their definition and design are based on academic discussion and calculations that make it possible to establish and plan how far it is possible to go with these indicators in a given period, which, in public policy, is generally based on a president's five-year term of office. Targets are therefore set to guide this program, and they must be ambitious in order to create positive incentives and ensure that the interventions achieve the expected policy outcomes.

- **Third decision. Design instruments to promote transparency and monitoring of results**

For the definition of indicators and targets to have a positive impact on management, mechanisms and instruments for easy and rapid monitoring must be created. Their input is important on two levels: they facilitate the verification of progress, allowing timely decisions about things such as progress on coverage of social programs, for example; and they also create conditions for «territorializing» interventions—identifying which social programs are received, as well as who receives them in each relevant territorial unit. It should be noted that these efforts are not aimed solely at generating more or better information, but are also intended to promote decision-making processes that lead to better outcomes for the population.

MIDIS sought to create instruments that would accompany the indicators of results through several mechanisms. The Ministry currently has a Plan for Monitoring of Results of Policy and Programs¹⁰ in effect. Through the General Office on Monitoring and Evaluation (*Dirección General de Seguimiento y Evaluación*), methodologies and tools have been designed and implemented to measure the performance of programs, which have developed a results-based monitoring system and provide technical assistance to improve verification of the implementation of policies and programs for development and social inclusion. A particular effort has been made to consolidate *InfoMIDIS*. This consists of a platform of georeferenced information that makes it possible to visualize information about coverage (users) of MIDIS' social programs, as well as socio-economic indicators at the district level.

10. See the complete version in the document, «Conocer para incluir: lineamientos para el seguimiento, evaluación y gestión de la evidencia de las políticas, planes, programas y proyectos del Ministerio de Desarrollo de Inclusión Social» (Ministerio de Desarrollo de Inclusión Social 2012c), available at <<http://www.midis.gob.pe/seguimiento/archivos/lineamientosdiag.pdf>>.



InfoMIDIS

InfoMIDIS is the Ministry of Development and Social Inclusion's publicly available virtual information platform <<http://www.midis.gob.pe/index.php/es/infomidis>>.

The *InfoMIDIS* web platform allows two types of exploration: the first is the District Observatory of Social Programs that fall under MIDIS <<http://www.midis.gob.pe/mapas/infomidis/>>, which makes it possible to follow the coverage of MIDIS' five social program—Cuna Más, Juntos, the Cooperation Fund for Social Development (*Fondo de Cooperación para el Desarrollo Social*, FONCODES), Pensión 65 and Qali Warma—with a breakdown by district, families or individuals, as needed. It is also possible to consult information about the number of interventions and the amount transferred by FONIE in the pre-investment, investment or post-investment phase. Users can also access information about district-level socio-economic indicators: total population, percentage of rural population, food security index, percentage of PePI population, incidence of monetary and extreme poverty, and chronic malnutrition rate. Finally, the portal allows access to information about MIDIS' six emblematic indicators for the total population, the population living in poverty and the population in extreme poverty.

The second type of exploration possible with *InfoMIDIS* is the Map of Indicators of MIDIS Programs <<http://programas.midis.gob.pe:8081/MAPAS/>>. This is an interactive map with which users can consult the number of districts served by social programs in each region, as well as the number of users of the five MIDIS social programs at the district level. They can also view regional base line indicators for poverty levels, malnutrition and PePI population..

MIDIS programs also have operational control panels, which are an essential tool for monitoring targets associated with the ENDIS areas; among other things, they allow quarterly assessments of programs and can issue alerts. The control panels are based on indicators from the logical framework of the results-based budgeting (RBB) programs, in accordance with MEF guidelines, which facilitates the organization of coordinated, synergistic efforts between the two sectors, as described above. Control panels were developed for Cuna Más, Juntos and Pensión 65 in 2012, and for Qali Warma, Haku Wiñay y FONIE e in 2013.

It is important to highlight the importance of complementing the various state information systems to strengthen them. It is especially crucial that sectorial monitoring systems be aligned with public-sector administrative systems. Along that line, the Integrated Financial Administration System (*Sistema Integrado de Administración Financiera*, SIAF) is a valuable instrument for oversight and monitoring of expenditures by the different sectorial units or levels of government.

- **Fourth decision. Make evaluations an institutional practice**

Launching evidence-based social policy requires a combined effort. Besides indicators that reflect the effects of policies and interventions and mechanisms for monitoring those interventions, it is necessary to design a system that allows for the evaluation of processes and impacts and ensures that results have consequences; in other words, they must be accepted by those who make decisions and can correct, improve or expand the programs to achieve the expected impacts.

As public-policy instruments, evaluations pose challenges related to the cycle required for their use. Although evaluations of design and process make it possible to improve interventions and can be done in short time frames, impact evaluations require complex methodologies to ensure rigorousness and attribution of causality, and are therefore long-term efforts. They may have greater consequences, however, because decisions about the continuity of certain interventions can be made based on their results.

When MIDIS received the social programs in January 2012, two important decisions were made: to immediately begin a process of evaluation and redesign of the programs, and to work to ensure that every MIDIS programs would have an impact evaluation. The conclusions of these evaluations¹¹ were used to make relevant decisions, including the complicated decision to end the National Nutrition Assistance Program (*Programa Nacional de Asistencia Alimentaria, PRONAA*), operational adjustments to Juntos and the strategic redirection of Foncodes toward a program for development of productive abilities.

Slightly more than three years after its creation, MIDIS is working hard to make evaluation of programs and policies part of its management system and to promote the use of evidence in evaluations to improve the efficiency, effectiveness and quality of public interventions. It does this through efforts in two areas: generation and management of evidence. Regarding the former, the General Office of Management and Evaluation (*Dirección General de Seguimiento y Evaluación*) conducts impact and performance evaluations, systematic reviews and meta-analyses, and other studies. Regarding the latter, policy managers are encouraged to use evidence to implement interventions that are increasingly efficient and effective. Plans for ongoing improvement are evidence-based management tools to foster learning and gain a commitment from the programs to implement the recommendations that emerge from the evaluations. So far, the Ministry has promoted the approval of annual evaluation plans that are discussed with the academic community and with experts on evaluation to ensure that they are relevant. The plan for 2013 included 22 evaluations of MIDIS social policies and programs; eight were impact evaluations. It should be noted that the five MIDIS social programs have at least one impact evaluation and a total of 14 performance evaluations.

As Table 3.3 shows, impact evaluations are conducted by evaluators and researchers and are backed by reputable institutions; this ensures the rigorousness and independence of the studies and the seriousness, validity and legitimacy of their results.

11. See summary document of MIDIS evaluation results, available at <<http://goo.gl/OXB9Wz>>.

Table 3.3

MIDIS: MATRIX OF IMPACT EVALUATIONS OF SOCIAL PROGRAMS AND POLICIES

Program or policy	Name	Year	Methodology	Final report	Source of financing
Qali Warma	Impact evaluation of program (design phase)	2013	Differences in differences with matching	First half of 2016	World Bank- Technical Assistance Loan (TAL) Social
Cuna Más	Impact evaluation of Accompaniment for Families service (base-line phase)		Random experiment	Second half of 2014	MEF-IDB
	Impact evaluation of reforms to the daycare service (design phase)		Random experiment	First half of 2015	IDB
Juntos	Impact evaluation of Juntos program (base-line phase)		In process of adjustment	n. d.	Ordinary program funds
	Impact evaluation of pilot of Juntos program alternative cash transfer schemes (second measurement phase)		Experimental design, differences in differences	2015	Ordinary program funds
Foncodes	Impact evaluation of Haku Wiñay program in area of Juntos program		Experimental design, differences in differences and qualitative analysis	First half of 2016	Ford Foundation
Pensión 65	Impact evaluation of Pensión 65 program (base-line phase)		Regression discontinuity	Second half of 2015	MEF
Inclusión Financiera	Evaluation of pilot of financial education methodologies		n. d.	n. d.	n. d.
Fonie	Impact evaluation (design phase)	In development phase	Second half of 2016	World Bank	

Source: MIDIS, DGSE. Available at <<http://www.midis.gob.pe/dgsye/evaluacion/evaluaciones2012.html>>.

Besides the evaluation plan, in 2012, in collaboration with the private sector and as part of the effort to formulate evidence-based public policies, MIDIS and MEF formed the Quipu Commission with technical support from the Abdul Latif Jameel Poverty Action Lab (J-PAL), Innovations for Poverty Action (IPA) and Business Solutions against Poverty (*Soluciones Empresariales contra la Pobreza*, (SEP). The commission consisted of ten Peruvian and international academics. Seven policy proposals emerged as a result of their work.¹² The issues addressed included financial inclusion, youth employment in rural areas, use of information and communication technologies, territorial management and community action for nutrition, school nutrition and chronic child malnutrition programs.

12. See complete document at <http://www.midis.gob.pe/dgsye/evaluacion/documentos/ResumenEjecut_Comisi%C3%B3nQuipu2012-2013.pdf>.

As a result of the commission's work, in 2013 the Regional Quipu Commission was formed for the Apurímac, Ene and Mantaro River Valleys (VRAEM, for its Spanish initials), to provide technical support to the government for the development of evidence-based social inclusion programs to be implemented in that area. The commission consists of Peruvian academics and international advisers on conflict and impact evaluation.

Table 3.4
MIDIS: QUIPU AND QUIPU VRAEM PROPOSALS

Phase	Proposal	Person Responsible	Status
Quipu	Juntos: financial inclusion in rural areas through points of sale	Alberto Chong	In process of implementation
	Healthy practices for the prevention of chronic child malnutrition	Midori de Habich	
	Streamlining management of integral assistance for the prevention of chronic child malnutrition	Midori de Habich	
	Attacking determinants of chronic child malnutrition in Peru through Cuna Más	Martín Valdivia	Not implemented
	Impact evaluation of revitalized school lunch program	Gustavo Yamada	
	Formation for dependent employment or entrepreneurship. How to help youth in poor rural areas?	Gustavo Yamada	
	Organization of coordinated, synergistic public policies: monitoring, supervision and ongoing improvement of selected priority actions	Javier Abugattás	
Quipu VRAEM	Community health technicians for early childhood development	Janice Seinfeld	In process of implementation
	School-labor transition: technical and productive training for students in the VRAEM	Pablo Lavado	
	Intervention in the VRAEM to combat child malnutrition through water and sanitation component	Álvaro Monge	Not implemented
	Improving peaceful coexistence in schools: first step toward peace and development in the VRAEM	Lucía Dammert	
	Rural roads, employment and civic education in the VRAEM	Martín Valdivia	

Source: Final reports of the Quipu and Quipu VRAEM commissions. Available at http://www.midis.gob.pe/dgsye/evaluacion/documentos/informe_final_comision_quipu.pdf y http://www.midis.gob.pe/dgsye/evaluacion/documentos/informe_final_comision_quipu_vraem.pdf.

Each MIDIS program and action area also drew on the results of the independent studies, using their results in related processes of redesign and adjustment. Juntos was the program that attracted the greatest attention from the independent evaluators.¹³

13. The significant attention that Juntos has received is reflected in the number of studies of the program that have been conducted. For example, Perova and Vakis (2011) show that Juntos has had a significant impact on poverty reduction among its beneficiaries and has therefore had a positive impact on their levels of food consumption. It has also contributed to an increase in the use of health-care services by children under age 6 and pregnant women, and has made a positive contribution to the increase in school attendance by children in families that are users of the program. Sánchez and Jaramillo (2012), and Díaz and Trivelli (2010) show that the program has been successful in reducing chronic child malnutrition in user families and has had an overall positive impact on nutrition levels among the recipients. Finally, the study by Del Pozo and Guzmán (2010) shows the positive impact of Juntos on productive investment.

Thanks to those evaluations, compliance with co-responsibilities improved, greater consistency and synergy were established in efforts related to financial inclusion and income generation, and the program's impacts on the empowerment of the women recipients and the reduction of domestic violence in households receiving Juntos were revealed—and recognized.¹⁴ These studies have also drawn on a wide range of international research on interventions similar to Juntos.¹⁵

3.4 Dilemmas in measurement of policy for development and social inclusion

- **First dilemma. Temporary alignment or misalignment between decision-making and observation of results of the interventions**

Given the public policy implementation cycle, it is important not to underestimate the time frame in which results will be observed, even if they are based on the conclusions of an evaluation and provide evidence for decision-making.

Say, for example, that a policy decision is made to expand the coverage of a program—Pensión 65, for example—to assist at least 300,000 senior citizens by the end of the second year of implementation (November 2013). To achieve this expansion, the decision must be made between April and June of the preceding year (2012), so as to include the necessary resources in the 2013 budget. The resources approved in the Budget Law (December 2013) can only be used as of the second half of January 2013. That is when the program can open the hiring process for new local managers, who will be in charge of promoting the program's expansion. The hiring process takes about two months; so if all goes well and was planned at the right time, by early April the financial resources for operation—staff, offices, transportation, etc.—will be available.

That is the point at which the program's expansion will actually begin: updating of databases, visits and enrollment, affiliation processes, opening of accounts to receive transfers, etc. Again if all goes well, the new users of the program will begin to receive transfers between May and June. With great effort, by November the planned affiliation will have been achieved and the target will have been met.

Strictly speaking, some users will have become affiliated with the program in May, others in June or July, and so on until November. To see the effect of this type of program on the creation of (consumer) habits—for example, in relation to people's learning about the use of their savings accounts or access to SIS—at least six months must have passed since they received the first transfer; in other words, the results of this expansion will not be seen until 2014.

14. See Díaz et al. (2008) and Perova (2010).

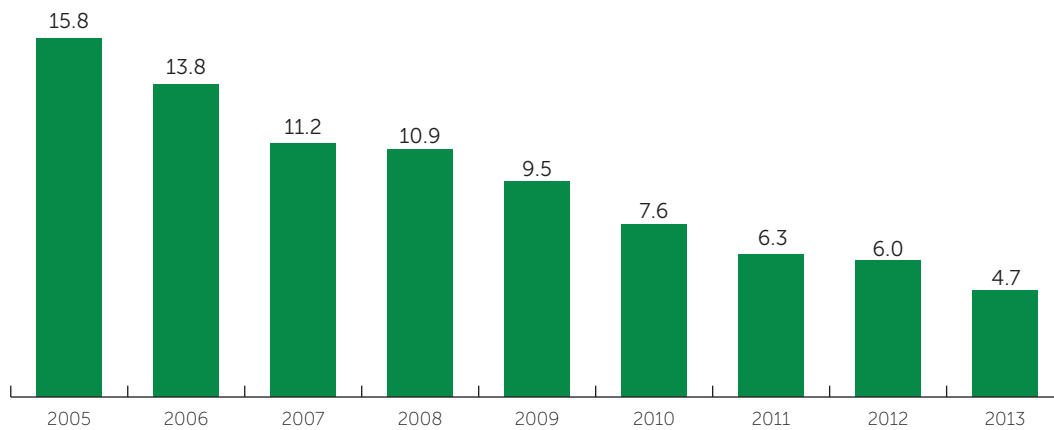
15. These studies include Stampini and Tomarolli (2012), Zepeda (2008), Rawlings and Rubio (2005), Hoddinot et al. (2000), Barahm et al. (2013), Barham et al. (2013), Attanasio et al. (2005), Gertler (2004), and Behrman and Hoddinot (2005).

- **Second dilemma. Temporary alignment or misalignment between the observation of results and effects on national statistics**

If the result were the reduction of extreme poverty, for example, it would be measured throughout 2015 and we would have the information in May of the following year, as in all years. In May 2014, the results of the statistics collected for 2013 already showed the effects of a greater presence by Juntos and Pensión 65 in the areas of greatest poverty, particularly the rural highlands and Amazon region. These effects reflect the expansion of these two programs that occurred in 2012, as well as some of what was done throughout 2013.

Graph 3.2

INCIDENCE OF EXTREME POVERTY IN PERU, 2005-2013 (%)



Source: INEI, compiled by authors.

It is important to note that during the current government administration, progress has made toward various targets that MIDIS established during the early months of its existence. Although more progress can be seen in some targets than in others, it is important to remember that some short-term effects can be achieved through short-term interventions. Nevertheless, there are other, medium-term targets that require concrete actions that are also simultaneous. So the more progress is made, the more complex the task becomes. Reversing the poverty that affects the most vulnerable sector of the population will always be the most difficult objective.

Table 3.5
EXTREME POVERTY, BY GEOGRAPHIC AREA. PERU, 2003-2013

Geographic area	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Var. 2003-2013
Total	21.2	16.4	15.8	13.8	11.2	10.9	9.5	7.6	6.3	6.0	4.7	16.5
Area of residence												
Urban	8.6	5.7	5.4	4.0	2.9	2.7	2.0	1.9	1.4	1.4	1.0	7.6
Rural	44.6	41.6	41.0	38.1	32.7	32.4	29.8	23.8	20.5	19.7	16.0	28.6
Natural region												
Coast	5.6	4.6	4.1	2.8	1.9	1.9	1.5	1.5	1.2	1.1	0.8	4.8
Highlands	40.2	32.1	30.8	27.9	24.8	23.4	20.1	15.8	13.8	13.3	10.5	29.7
Amazon	37.8	23.6	24.8	22.5	14.6	15.5	15.8	12.5	9.0	8.2	6.9	30.9
Geographic domain												
Urban coast	7.1	5.4	3.1	2.9	2.0	2.3	1.6	1.7	1.2	1.1	1.1	6.0
Rural coast	20.3	19.2	15.0	14.9	11.0	8.1	7.8	6.7	8.3	4.9	5.9	14.4
Urban highlands	15.5	9.4	8.1	6.5	5.8	5.6	3.8	2.5	2.0	1.9	1.7	13.8
Rural highlands	53.9	48.5	47.9	44.8	40.2	38.2	34.0	27.6	24.6	24.0	19.0	34.9
Urban Amazon	29.5	14.2	15.3	14.0	8.2	5.2	5.2	5.3	4.5	3.8	3.1	26.4
Rural Amazon	32.3	33.1	34.8	31.9	21.9	27.6	28.6	21.4	14.7	14.2	12.1	20.2
Metropolitan Lima	2.0	2.4	3.5	1.3	0.9	1.0	0.7	0.8	0.5	0.7	0.2	1.8

Sources: INEI and ENAHO 2003-2013. Compiled by authors.

- **Third dilemma: Strategic alignment or misalignment between a commitment to evaluation and institutional arrangements related to public policy**

Besides the value of having indicators and targets with different levels of aggregation—national, regional, provincial, PePI—it is crucial to place evidence at the center of a policy that promotes monitoring and evaluation, and to have inputs for managing processes oriented toward results and constant improvement. Without that contribution, it is very difficult to think about instruments for moving toward interventions that have been proven effective and are centered on pre-defined results.

These types of approaches and instruments also ensure public-policy commitments that transcend the term of a general director, a program director, a minister or even a government administration. To truly achieve results, social policies must be ongoing. This also establishes the credibility of the work, which is crucial for ensuring financial resources—convincing and involving MEF—and political support.

Last, but certainly not least, having such instruments allows greater transparency and facilitates civic oversight of the work being done and the progress being made through social policies and interventions. These increasing levels of transparency and validation of progress are crucial for ensuring legitimacy and good performance, as well as for restoring confidence in the government and its interventions. All of this is vital for ensuring that public policies are authentically based on a human development approach.



Effectiveness in social programs: toward poverty reduction and achievement of results that foster development and social inclusion

The social protection network constitutes a platform for channeling the goal of human development and making it operational. This network makes it possible to define the priorities and principles of this approach and put them into practice, for example, through both universal and targeted social programs. Social programs in Peru have a significant history, and in recent years they have undergone a series of conceptual, institutional and operational transformations.

Not only are social programs fundamental tools for public management, but they also represent an opportunity to legitimize social policy with an approach that emphasizes shared responsibility and to promote the agency of citizens. Three years after the creation of MIDIS, therefore, it is important to examine the challenges encountered when the Ministry began operation, as well as the decisions and challenges that remain for promoting effective social programs that allow a shift from rhetoric to the practice of human development in policy for development and social inclusion.

4.1 Background of management of results-oriented social programs for development and social inclusion

During the past decade, social investment in Peru has increased significantly, as reflected in the growth of budget allocations for the country's main social programs. The figures indicate an upward trend in recent years and show that, in real terms, investment rose from about 4 billion nuevos soles in 2007 to more than 7 billion in

2011. Analysis also shows an increase of 84 percent between 2007 and 2011 (see Table 4.1) (Marco Macroeconómico Multianual 2012-2014).

Table 4.1

PERU: BUDGET ALLOCATIONS FOR MAIN SOCIAL PROGRAMS 2007-2011
(MILLIONS OF NUEVOS SOLES)

Principal social programs	2007	2010	2011a
Water for All Program (Programa Agua para Todos) ^b	538	966	1534
Program of Direct Support for the Poorest Peruvians (Programa de Apoyo Directo a los Más Pobres- Juntos)	497	613	627
National Educational Infrastructure Program (Programa Nacional de Infraestructura Educativa, Pronied)	141	660	891
Integral Nutritional Program (Programa Integral Nutricional, PIN)	381	631	582
Integral Health Insurance (Seguro Integral de Salud, SIS)	320	503	563
General Rural Electrification Office (Dirección General de Electrificación Rural)	283	629	504
Decentralized Roads Program (Provías Descentralizado)	109	221	175
Glass of Milk Program (Programa Vaso de Leche) ^c	363	363	363
Social and productive infrastructure projects	317	305	155
Own House Program (Programa Techo Propio)	39	332	350
National Literacy Mobilization Program (Programa Nacional de Movilización para la Alfabetización)	80	140	245
Rural Agricultural Development (Desarrollo Agrario Rural, Agrorural)	164	142	134
"Building Peru" Emergency Social and Productive Program (Prog. Emerg. Social Productivo "Construyendo Perú")	199	151	74
Integral National Family Welfare Program (Programa Integral Nacional para el Bienestar Familiar, Inabif)	75	106	113
Supplementary Food Programs (Programas de Complementación Alimentaria, PCA) ^c	105	128	128
Telecommunications Investment Fund (Fondo de Inversión en Telecomunicaciones, Fitel)	22	95	140
National Program for Improvement of Neighborhoods and Towns (Programa Nacional de Mejoramiento de Barrios y Pueblos, PIMBP) ^d	182	128	413
Wawa Wasi National Childcare Program	55	73	81
Pro-Joven job training program	14	60	41
Program for Combating Domestic and Sexual Violence (Programa contra la Violencia Familiar y Sexual, PNCVFS)	10	24	28
Food and Nutrition Program for TB Outpatients and their Families (Programa de Alimentación y Nutrición para Pacientes Ambulatorios con TBC y Fam., PANTBC)	13	10	10
Pensión 65 pension program	-	1	24
Beca 18 scholarship program	-	-	1
Total	3,907	6,281	7,176

a Expenditures as of 05/03/2012. b Expenditures in 2010 and 2011, includes line-item transfers to regional and local governments. c Corresponds to budget allocation. d Result of merger of various programs, including Improving My Town (Mejorando mi Pueblo), Integral Improvement of My Neighborhood (Mejoramiento Integral de mi Barrio) and The Street in My Neighborhood (La Calle de mi Barrio). Includes line-item transfers to regional and local governments.

Source: MEF.

According to figures from 2011, about two-thirds of the total budget for social programs was distributed among six social programs. These include Water for All (*Agua para Todos*), 1.5 billion nuevos soles; the National Educational Infrastructure Program (*Programa Nacional de Infraestructura Educativa*, PRONIED), 891 million; Juntos, 627 million; the Integrated Nutritional Program (*Programa Integrado Nutricional*, PIN), 582 million; Integral Health Insurance (*Seguro Integral de Salud*, SIS), 563 million; and the Rural Electrification Program (*Programa de Electrificación Rural*), 504 million. But how much did the Peruvian government know then about the results of those programs?

Although the budget increase is vital for achieving social policy objectives, it is not sufficient to guarantee results in the population. It was therefore crucial to produce evidence regarding the effectiveness of the social programs. Based on results of the 2010 National Household Survey (*Encuesta Nacional de Hogares 2010*), it was noted that Juntos was a well-targeted program and had been effective in reducing extreme poverty in rural areas. Various studies of this program agreed that the cash transfers contributed to the fact that 34 percent of households in extreme poverty overcame that situation (Perova and Vakis 2011).

The case of Juntos was unusual, though. Not all social programs had clear evidence about their performance. One of the first decisions made by President Humala's government, therefore, was to review and evaluate the operational schemes of the social programs under way, so that, based on the results of those evaluations, the necessary measures could be taken to ensure that the programs operated more efficiently and became effective tools for combating poverty. Besides what has been discussed in the preceding chapters, the creation of MIDIS in October 2011 was also an effort to reinforce social policy performance, with an emphasis on programs. According to the third final complementary provision of the Creation Law for the Ministry, five programs were placed under its aegis:

- Juntos: National Program of Direct Support to the Poorest Peruvians (*Programa Nacional de Apoyo Directo a los más Pobres*)
- Gratitud: National Solidarity Assistance Program (*Programa Nacional de Asistencia Solidaria*)
- FONCODES: Cooperation Fund for Social Development (*Fondo de Cooperación para el Desarrollo Social*)
- PRONAA: National Nutrition Assistance Program (*Programa Nacional de Asistencia Alimentaria*)
- Wawa Wasi: National Childcare Program
- Pensión 65: pension program, which would be established on the foundation laid by the Gratitud Program
- Cuna Más: childcare program, which would be established on the foundation laid by the Wawa Wasi Program

Once the programs were transferred, three major challenges arose: a) ensuring that the social programs actually contributed to poverty reduction and to results in the country's most vulnerable population, with a single policy focus; b) defining institutional and operational mechanisms for efficiently organizing synergistic social programs aimed at strengthening human capital and closing gaps for each

segment of the population, and c) managing existing resources with an emphasis on the quality of public spending, using instruments such as Results-Based Budgeting.

4.2 Challenges for the management of results-oriented social programs for development and social inclusion

- **First challenge. Organize coordinated, synergistic social programs under a single policy approach, targeting them for effective poverty reduction**

Experience shows that the lack of coordinated, synergistic organization of programs leads to inefficiency, affecting the scope and dynamics of the outcomes. Because of this, and given the lack of an organized operational platform, it was crucial for MIDIS to redefine the organizational mindset of the social programs for which it was responsible. The Ministry also had to design a management model that would facilitate the connection between the programs' objectives and operational strategies, within the framework of policy for development and social inclusion. To continue operating, social programs would have to provide evidence that they contributed to poverty reduction through economic growth with social inclusion.

An even greater challenge loomed, however. Each of the five social programs for which MIDIS was responsible operated with a different model. As Table 4.2 shows, each program had its own strategic objective and its own specific operating strategy. One of MIDIS' greatest challenges would be to capitalize on these differences to promote policy for development and social inclusion that focused on the household as the policy unit. This meant designing a management model in which the contribution of each social program would be explicit and effective, but would also go beyond its individual contribution, as it would have to contribute to the final results of the sector, which by definition required the interconnection and synergies with other interventions. The model, therefore, had to organize and connect the «chains» of results of the policy for development and social inclusion and other social programs, centering them on citizens.

Table 4.2

MIDIS: SOCIAL PROGRAMS, BY STRATEGIC OBJECTIVES AND OPERATIONAL STRATEGIES

Social program	Year created	Strategic objective	Operational strategy
1 Cuna Más	2012	Promote the development—cognitive, social, physical and emotional—of children under age 3 who live in areas of poverty and extreme poverty.	Operates in two forms: accompaniment for families and daycare.
2 Foncodes	1992	Create sustainable economic opportunities for rural households in extreme poverty.	Operates through a skills-development strategy that includes two components: creation of economic opportunities and rural enterprises, and investment to facilitate economic opportunities.

	Social program	Year created	Strategic objective	Operational strategy
3	Juntos	2005	Contribute to poverty reduction and help build human capital in households in extreme poverty, through a co-responsibility approach.	Operates by providing incentives for access to and use of health, nutrition and education services—200 nuevos soles per household-user every two months. The main operational processes include affiliation, verification of compliance with co-responsibilities, payments and transfer of cash incentives.
4	Pensión 65	2011	Provide protection for especially vulnerable social groups, particularly adults over age 65 who lack basic living conditions.	Operates through two components: a) delivery of economic subsidies—125 nuevos soles a month per user—for basic needs, and b) fostering of social protection through complementary services—for example, health, support networks—aimed at the program's users.
5	Qali Warma	2012	Provide quality food service to children enrolled in initial and primary education in public schools, to help improve attention in classes, school attendance and dietary habits.	Operates through two components: a) nutrition: provision of services and alignment between nutritional content of rations and population's consumption habits; and b) educational: training and technical assistance for stakeholders involved. Qali Warma also promotes local community participation and co-responsibility through purchasing committees and school food committees.

- **Second challenge. Managing the programs' heterogeneity efficiently**

The challenges that MIDIS faced with regard to social programs went beyond conceptual aspects related to their objectives or strategies; a greater challenge was closely tied to management. It was obvious that the operational processes of each social program—for example, targeting, affiliation, monitoring and evaluation, communication, accountability—not only differed from one other, but were inefficient. This was clear from the fact that the programs overemphasized meeting goals instead of focusing on bringing about real changes in the population. As of 2011, the programs showed both operational (results associated with the program) and strategic (results associated with poverty reduction) limitations.

From the time they were moved to MIDIS, therefore, the warning went out that social programs had to be revised to adapt their design and dynamics to the sector's guidelines. It was crucial to reconfigure their processes to make their interventions consistent and synergistic with other services that would allow for the achievement of results centering on the user. The challenge was to stop seeing heterogeneity as a constraint and manage it as an opportunity that would benefit the entire set of social programs, as it would provide them with a common platform for promoting more efficient processes and creating a knowledge base guided by a «cross-learning» mindset.

- **Third challenge. Investing against results of policy for social inclusion**

Besides the need to align programs with the priorities of the policy for development and social inclusion and optimize their processes, MIDIS faced the additional challenge of ensuring that social programs invested public resources against the achievement of results. That would not only help make the sector's policy more consistent, but it would also guarantee a less asymmetrical relationship with MEF, with better opportunities for negotiation. Addressing that challenge meant overcoming the inertia of a mindset based on budget allocations and spending, and moving toward results-based management designed to provide outputs associated with achieving observable results in the population. As Table 4.3 shows, MIDIS aimed to increase its programs' coverage goals and budget. That was not enough, however. It was time for results-based management.



About MIDIS' budget

Compared to other Latin American countries, Peru's level of social spending has been and continues to be relatively low. Data from the Economic Commission for Latin America and the Caribbean (ECLAC) as of 2012 showed that Peru's spending exceeded only that of Paraguay and Bolivia. This situation persists despite the significant increase in resources devoted to social spending in Peru since the creation of MIDIS, which indicates the starting point at which the country found itself just a few years ago. Given that situation, it is clear that level remains less than desirable and, especially, lower than necessary.

As noted above, between 2010 and 2013, there were significant increases in the social budget, which includes MIDIS, but also universal public services such as health care and education; nevertheless, per-capita social spending in 2013 was just over 600 dollars. Today, social spending in Peru represents about 49 percent of the country's total budget. Most of these resources are invested in health care and education, while only a small part of the total budget—less than 9 percent—is used to finance targeted social programs, of which less than 50 percent fall under MIDIS' responsibility.

Considering that one of every five households in Peru still lives in poverty and that 1.5 million people live in extreme poverty (food poverty, indigence), it is clear that the resources allocated directly to combating poverty are scant. This poses a series of challenges for developing targeted interventions that are highly cost-effective while keeping levels of erroneous inclusion low. Finally, it is important to recognize that although a significant number of Peruvians must still be served by social programs, the situation of poverty is not the same as in the past, so those who qualify as poor are increasingly close to overcoming that condition. This is reflected in the decrease in the poverty gap, which is currently less than 6.2 percent. This figure constitutes both good news and a challenge for the anti-poverty agenda that MIDIS has defined based on its emblematic indicators and targets.

Table 4.3

MIDIS: TARGETS AND BUDGET ALLOCATION, BY SOCIAL PROGRAMA

Program	Unidad de medida	Coverage	Target				Budget allocation (nuevos soles)				Amount of budget spent
		2011	2013	2014	2016	2011	2012	2013	2014	2013	
1 Cuna Más	Daycare: Children under 36 months of age	55 622	64 544	69 500	79 500	83,0	186,4	239,6	281,4	96,9%	
	Accompaniment for families: Number of families served	0	45 000	64 000	134 000						
2 FONCODES-Haku Wiñay	Households receiving technical assistance and training for development of productive skills (Haku Wiñay households)	0	21 400	46 389	58 906	0	14,6	85,3	117,8 ^b	97,1%	
3 Juntos	Number of households served	474 000	713 088	776 000	830 000	676,0	852,8	1 052,6	1 053,7	99,94%	
4 Pensión 65	Number of adults over age 65 who are users of the program	20 000 ^c	290 298	350 000	460 000	25,0	264,3	453,4	578,4	99,9%	
5 Qali Warma	Children in public schools who receive breakfast and/or lunch	0	2 860 383	3 000 000	3 800 000	--	1,5	1 069,5	1 400	93,3%	

^a In 2013, the budget for social programs increased by more than 40 percent, compared to 2011. For 2014, an increase of 400 million nuevos soles was proposed to MEF.

^b This includes amounts from the 2014 budget program for "Rural Households to Local Markets" and the 2014 budget increase allocated to Haku Wiñay and Noa Jayatai.

^c User population of the "Gratitud" Pilot Program of Solidarity Assistance.

Source: MIDIS, 2013.

Results-based Budgeting (RBB) offered an excellent opportunity to address the situation. RBB is a public-management strategy that makes it possible to link the allocation of budget resources to goods and services (outputs) with measurable results that benefit the population. Once the decision is made, implementing RBB implies activating instruments such as the performance information system, the institutional platform, matrices of results-based commitments, promotion of capabilities for results-based management and creation of accountability mechanisms. The subsequent challenge consists of using the information that is generated to make transparent decisions about budget allocations, centering efforts on achieving results in people's lives.

4.3 Decisions for optimizing the performance and management of social programs

- **First decision. Align social programs with social-inclusion policy**

Once the main challenges were identified, decisions were made. As described in Chapter 1, MIDIS developed the "Including for Growing" National Strategy for Development and Social Inclusion, which served as the sector's main policy instrument and was aimed at organizing and guiding results-oriented interventions for development and social inclusion. The strategy was based on a life-cycle model centered on the household as the social-policy unit. Operationally, the strategy identified five strategic areas of action: child nutrition, early childhood development, integral development of children and adolescents, economic inclusion and protection of senior citizens. Obviously the synergies that the strategy promoted assumed effective coordination with MIDIS' social programs.

It was then possible to identify the contribution made by MIDIS' social programs in a broader policy context. By activating the most vulnerable households' demand for education and health-care services, Juntos contributed to results in child nutrition, early childhood development and integral development of children and adolescents. Cuna Más was associated with achievement of results in early childhood development, as was Qali Warma, which also contributed to the integral development of children and adolescents. With its emphasis on building productive skills, FONCODES was linked to economic inclusion. Pensión 65 was related to the protection of senior citizens. The strategy thus aimed to make the programs consistent with one another, create synergies and emphasize that, to be effective, it was necessary to interconnect efforts «outward» with other interventions.

Figure 4.1
MIDIS: SOCIAL PROGRAMS WITHIN THE ENDIS FRAMEWORK

Ejes Estratégicos	EE2: Desarrollo Infantil Temprano EE1: Nutrición infantil	EE3: Desarrollo Integral de la Niñez y Adolescencia	EE4: Inclusión Económica	EE5: Protección del Adulto Mayor
Intervenciones por Eje	JUNTOS			
	Acceso a identidad (entrega de DNI) - RENIEC			
	Programa Nacional contra la Violencia Familiar y Sexual - MMP	Otras Intervenciones de Desarrollo Productivo ²		
	Programa Yachay - MMP	Fondo de Inclusión Social Energético OSINERGMIN	Vamos Perú - MTPE	Proyecto NINA - MINEM
PAN - MINSA		BECA 18 - MINEDU	Prog. de Incremento de la Productividad de MYPE y Cooperativas - PRODUCE	Vida Digna - MIMP
SMN - MINSA		PELA - MINEDU	Jóvenes a la OBRA - MTPE	AgroRural - MINAG
		Programa de Inversión Microglobal COFIDE Programa de Inversión PROPEM BID COFIDE		
Rangos de Edad				
	0-3 años	4-5 años	6-17 años	18-64 años
Intervenciones de Infraestructura	Acceso y Uso de la Electrificación Rural - MINEM			
	Fondo de Inversión en Telecomunicaciones (FITEL) - MTC			
	Hábitat Rural - MVCS			
	Provias Descentralizado - MTC			
	Fondo para la Inclusión Económica en Zonas Rurales (FONIE)			
	Programa de Agua y Saneamiento para la Población Urbana/Rural - MVCS			
	Fondo Mi Riego - MINAG			
	Otras intervenciones en Vivienda, Construcción y Saneamiento ¹			
	Seguro Integral de Salud - SIS			
	Presupuesto Total Asignado 2013			
	S/. 36 mil millones			

1. Incluye el Programa de Bono Familiar, Programa de Generación de Suelo Urbano, Programa para la Mejora Integral de Barrios y Programa Nuestras Ciudades.
2. Incluye el programa de Aprovechamiento de los Recursos Hídricos para Uso Agrario, Programa de Mejora y Mantenimiento de la Sanidad Vegetal, Programa para la Mejora de la Sanidad Animal, Programa para el Desarrollo Productivo de las Empresas, Programa para el Ordenamiento y Desarrollo de la Agricultura, Programa para el Fortalecimiento de la Pesca Artesanal, entre otros.
Se muestran ejemplos de los sectores y programas asociados a la Política de Desarrollo e Inclusión Social.

Source: Estrategia Nacional de Desarrollo e Inclusión Social Incluir para Crecer. Ministerio de Desarrollo e Inclusión Social (2013a).

- **Second decision. Evaluate to redesign and reorganize social programs**

In light of the points discussed above, MIDIS set out to evaluate-redesign-reorganize the social programs under its responsibility. The main processes of the programs would be redesigned and reorganized using the results of evidence-based evaluations. This work was led by representatives of the two vice ministries—Policies and Social Evaluation and Social Benefits—and the social programs.

For the evaluation phase, the team prioritized the information needed to redesign the programs, proposed the content and methodology of studies for evaluating key aspects, conducted systematic and document reviews, and formulated specific recommendations for the redesign. To ensure good results, the process paid special attention to the specific characteristics of each program. Table 4.4 summarizes the key dimensions evaluated in each case.

Table 4.4

MIDIS: DIMENSIONS EVALUATED, BY SOCIAL PROGRAM

Social program	Priority aspects
1 Cuna Más/ Wawa Wasi	<ul style="list-style-type: none"> • Demand for daycare • Psychomotor development • Role of caretaker mothers • Targeting • Parents' child-rearing culture • Role of family accompaniment programs
2 FONCODES	<ul style="list-style-type: none"> • Role of implementing groups (<i>núcleos ejecutores</i>) • Role of FONCODES in the promotion of productive projects • Role of FONCODES in the promotion of basic services
3 Juntos	<ul style="list-style-type: none"> • Results of the program and education and health conditionalities • Verification of co-responsibilities • Closing of gaps • Exit
4 Pensión 65	<ul style="list-style-type: none"> • Program's objectives, scope and benefits • Presence and affiliation process • Integration with supply of social services • Mechanisms for delivery of transfer
5 PRONAA	<ul style="list-style-type: none"> • Meeting of objectives and program management • Targeting, coverage and undercoverage • Consumption of the cereal • Effect on users' nutrition • Management agreements for Supplementary Food Program (Programa de Complementación Alimentaria, PCA)

Source: MIDIS (2012b).

Once the evaluation phase was complete, the team responsible for the redesign identified the main areas in which consistent processes and synergies would be established among the programs, to contribute to the results outlined in the policy for development and social inclusion. Three areas were prioritized: a) *programmatic design*, which defined the logical model for each program and subsequently connected it with both budget expenditures and the evaluation; b) *targeting*, which set out the criteria for ensuring that the public funds allocated to social programs reached only the areas or households that needed them, promoting an equitable and efficient process; and c) *a focus on results*, which emphasized the use of RBB tools.

Finally, once the redesign phase was finished, the reorganization addressed areas related to the organizational structure of the programs. A standard functional structure was determined, which established that the highest level of decision making would be the so-called executive directors). Operationally, the programs would center on territorial units, whose main purpose would be the implementation of the social program's activities in the territory. Finally, with regard to management instrument, the decision was made to design a series of general guidelines to standarize criteria, principles, concepts and organizational aspects. These would be adapted and implemented by each program, according to its specific characteristics.

- **Third decision. Organize social programs using Results-Based Budgeting**

From the outset, MIDIS based its work on results-based management and the efficient use of RBB tools. During the first half of 2012, three of the five programs

under MIDIS' responsibility had prepared their RBBs for 2013 and submitted them to MEF. Cuna Más, Juntos (second year), Pensión 65, Foncodes (Haku Wiñay modality) and the daycare component of Cuna Más would submit them in 2014.

Table 4.5
MIDIS: KEY ASPECTS OF RBB, BY SOCIAL PROGRAM

	Cuna Más	Juntos	Pensión 65
Problem identified	Low level of development of children under 36 months of age living in areas of poverty and extreme poverty.	Limited access to health, nutrition and education services among pregnant women, children, adolescents and youths up to age 19 in poor households in rural areas.	Limited access among senior citizens living in poverty to economic security that would help improve their welfare.
Target population	Children under 36 months of age living in poverty and extreme poverty in rural areas.	The age of the target population was expanded: from «children ages 0 to 14 years» to «children from age 0 until they finish high school or until their 19th birthday, whichever comes first,» to ensure that teenagers finish high school. The identity of the target population would now be a means rather than a result. To reflect this change, the logical model of the program was changed, orienting it toward assistance to the target population in rural areas.	People age 65 and up who live in poverty, do not have a pension from any contributory pension system and are not beneficiaries of any social program except SIS, the National Literacy Mobilization Program (Programa Nacional de Movilización por la Alfabetización, Pronama) or reparations programs.
Specific result	Improve the level of language development and motor activity in children under 36 months of age living in poverty and extreme poverty in rural areas.	Includes a component of guidance and accompaniment for user households, to ensure the full exercise of their rights and compliance with co-responsibilities.	Senior citizens living in poverty have economic security that allows them to improve their welfare.
Intervention strategies	Home visits and organization of group shared-learning sessions in Cuna Más centers for pregnant women and children under 36 months of age and their families. Formation and operation of management committees and oversight councils. Incorporation of community proposals for early childhood development in local spaces. Community oversight of early childhood development and quality of service.		1) Identification and registration of potential users. 2) Affiliation of users. 3) Delivery of cash subsidy. 4) Verification that users are alive. 5) Synergies with other sectors and levels of government.

Source: Midis (2012b).

- **Fourth decision. Reform Sisfoh as the starting point for the effectiveness of social programs**

Because the Household Targeting System (Sistema de Focalización de Hogares, Sisfoh) was transferred to MIDIS, and because targeting was vitally important guarantee that programs operated effectively, the decision was made to reform Sisfoh. The goal was to ensure consistent targeting mechanisms and to organize and standardize criteria and sources of information. The intention was to reduce rates of erroneous inclusion and undercoverage as much as possible, in a situation in which criteria had tended to be heterogeneous and dissimilar.

Table 4.6

MIDIS: TARGETING CRITERIA, BY SOCIAL PROGRAM (BEFORE SISFOH REFORM)

Social program	Poverty map	Targeting criteria	
		Socio-economic	By category
Cuna Más	2009	Geographic and individual targeting (poor)	Children under 36 months of age
FONCODES	2006	Geographic targeting (poor)	Poor rural districts
Juntos	2009	Geographic and individual targeting (extremely poor)	Children and adolescents up to age 14 or pregnant women
Pensión 65	2009	Geographic and individual targeting (extremely poor)	Senior citizens (65 years and up) in extreme poverty, who receive no other public or private pension and no benefits from other social programs except for SIS and PRONAMA.
PRONAA	2001	Geographic targeting (poor)	Integral Nutrition Program (Programa Integral de Nutrición, PIN): <ul style="list-style-type: none"> • Children ages 6 to 36 months, and pregnant and nursing women. • Preschool-age (3 to 6 years) and school-age (6 to 12 years) children. Supplementary Food Program (<i>Programa de Complementación Alimentaria, PCA</i>): <ul style="list-style-type: none"> • Children, adolescents, people with tuberculosis, senior citizens and people with disabilities, who have been abandoned or who have been victims of domestic or political violence.

Source: Midis-Dirección General de Gestión de Usuarios.

Because of the lack of a legal framework and of criteria for consistency in the use of targeting instruments, sources of information and incentives, guidelines were designed. Among other things, they focused on unifying, reorganizing and streamlining the rules governing Sisfoh—for example, direction and roles, quality-control processes, and mechanisms for generating timely and valid information—and on establishing rules and principles for targeting public funds for social investment, such as eligibility and targeting of users, targeting instruments, roles and processes.

The SISFOH reform is a long-term process. It requires not only obtaining information, algorithms and clear guidelines, but also preparing systems to facilitate the transition from one targeting system to another. This requires evaluating

operational processes and updating data—who in the target group is kept and who changes, defining mechanisms for implementation of those changes in time and territory, etc. It is also important to consider political processes and their consequences for the interventions once these decisions are made.

4.4 Dilemmas about the performance and management of social programs

- **First dilemma. Prioritize the design of new interventions or reinforce the achievements of social programs in the effort to reduce extreme poverty**

INEI published poverty figures for 2013, which show that poverty reduction continues, with an emphasis on rural poverty—especially in the highlands—and extreme poverty. Apart from questions about whether they constitute handouts and promote conformist attitudes among the population, how do social programs contribute to this effort?

To close gaps, social programs are tools for achieving people-oriented outcomes. Juntos activates the most vulnerable households' demand for basic services while improving their diet, empowering women to start businesses and become included in the financial system, etc.; all of this contributes to the creation of a local market and income generation. Pensión 65, meanwhile, restores the rights and dignity of senior citizens living in extreme poverty, giving them access to health care and food. These two temporary relief programs partly explain the decrease in extreme poverty in rural areas. But they are not enough. Besides the intervention of Juntos or Pensión 65, it is necessary to consolidate programs for skills development and insertion into markets—Foncodes' Haku Wiñay—and investment in basic rural infrastructure. The dilemma lies in establishing a balance between the effort invested in current programs and new programs to maintain the downward trend in rural poverty and consolidate a more equitable country with opportunities for all.

- **Second dilemma. Reproduce external models or design «showcase experiences» to test models and expand evidence-based social programs**

MIDIS was given the task of increasing the effectiveness of existing social programs and designing new or renovated interventions. This task required not only proposing models and making them operational, but also putting them into practice to test them, evaluate them and ultimately scale them up. That was the case of the renovated Cuna Más programs, based on the experience of Wawa Wasi, and of Pensión 65, based on the experience of Gracitad, as well as of the new Qali Warma program. Since they were «showcase experiences,» their processes had to be tested in specific geographic areas, so the lessons learned from them could be used to scale up to the national level. This task posed at least two dilemmas. First, it was necessary to establish the form of validation and efficiently manage political time frames, technical time frames and the time frames of the population, which often are not the same. In addition, once the experience was tested, decisions had to be made to guarantee that they were established institutionally as part of the strategy and priorities of a particular sector and, in general, of public policy.

- **Third dilemma. Base the performance of social programs on conventional procedures or on innovations and mechanisms for establishing interconnections and synergies «with consequences»**

In the national strategy, establishing coordinated organization and synergies was one of the keys to achieving results leading to development and social inclusion. To align with the sector's policy priorities, the social programs implemented a series of innovations in processes for identification and registration, coverage, payment, supervision and accountability, incorporation of new modalities, etc. (see Table 4.7). Closer analysis identifies three key tools: planning—for example, definition of priorities and organization of the process; coordinated organization and synergies—for example, combining efforts aimed at common results; and governance—for example, management, involvement of strategic partners and dissemination of key messages. Apart from innovation, however, the greater dilemma is how to design an effective path toward the establishment of «low-risk» synergies. Outstanding examples include those that Qali Warma has undertaken with the Health and Education sectors, as well as with small-scale producers and local economies, and the collaboration established between Juntos and Haku Wiñay. The dilemma is related to the difficulty of establishing, implementing and maintaining binding mechanisms for interconnections and synergies that go beyond the good will of a group of functionaries to become part of institutional frameworks.

- **Fourth dilemma. Maintain a passive role for civil society in managing social programs or propose new mechanisms for its active participation**

Because of the development approach on which MIDIS is based, civic participation in the implementation of the sector's policies is crucial. Because civil society can help improve the performance of programs through mechanisms that facilitate accountability and public oversight, it is crucial to design institutional arrangements that facilitate the process. One alternative was to create and gradually implement a means for providing oversight of compliance with the social programs' objectives and the quality of their services, consisting mainly of members of civil society. The dilemma arises when there is the conviction that participation should not be limited to offering opinions or formulating proposals, but should be an active part of management. Creating appropriate mechanisms for achieving this poses new challenges and possibilities that demand a review and analysis of prior experiences.

In short, as part of an emphasis on human development, it is important to note that, depending on the approach and the degree of political will at the outset, social programs can be powerful tools for closing gaps and reducing poverty. To be effective, however, they must be aligned with public policy priorities; by definition, that is a long process that includes creating institutional structures, instruments and capabilities, as well as tools for measurement and accountability.

Table 4.7
MIDIS: MATRIX OF INNOVATIONS, BY SOCIAL PROGRAM (2013)

Cuna Más	Foncodes	Juntos	Pensión 65	Qali Warma
<ol style="list-style-type: none"> Design and implementation of the new service of accompaniment for families: 29,000 families served in rural areas scattered throughout 14 regions (682 management committees). Design and implementation of the new service of daycare with quality standards in 23 regions, benefiting 56,786 children. Since 2013, the service of accompaniment for families operates with RBB; as of 2013, all of Cuna Más will operate that way. Gradual equipping of family and community facilities with new furniture and educational materials. To date, 4,902 family facilities and 955 community facilities have benefited. Partnerships with six regional governments— Arequipa, Cajamarca, Cusco, Huancavelica, La Libertad and San Martín— for construction of integral childcare centers (<i>centros infantiles de atención integral</i>, CIAI), interconnection and synergies with local governments, etc. 	<ol style="list-style-type: none"> Implementation of Haku Wiñay and Noa Jayatay: <ul style="list-style-type: none"> 4,187 rural households served in 11 districts of Apurímac, Ayacucho, Huancavelica and Huánuco. 10,190 rural households served in 70 towns in 11 districts in 6 regions. 1,995 homes improved. 900 households trained in financial education in Chuschi and Vinchos, Ayacucho. Economic infrastructure: <ul style="list-style-type: none"> 135 economic infrastructure works completed, with an investment of 37.4 million nuevo soles, benefiting 13,500 rural households. Synergies with other Midis programs: <ul style="list-style-type: none"> 52 agreements signed between FONCODES, Cuna Más and local governments for construction of integral childcare centers. 7,801 Juntos households served with Haku Wiñay in Chuschi and Vinchos, Ayacucho. Purchases from 5,150 microenterprises and small businesses (MYPEs) for a total of 381 million nuevos soles, in 20 departments, benefiting 230,000 students in 41,749 schools. 	<ol style="list-style-type: none"> More than 43% of expected results: 492,871 users in January 2012 and 703,592 users in July 2013. Target population expanded to age 19, a change that is already in effect. Streamlining of mechanisms for verifying co-responsibilities, by decreasing workload per local manager (formerly 800 households, now 400). 	<ol style="list-style-type: none"> Expected affiliation achieved: 274,000 users as of June; 1,624 districts covered, of a target of 1,823. Greater concentration in the poorest departments. Through regular fieldwork, the situation of more than 5,000 users was verified in their homes. Transfers and payments. Decrease in average balance accumulated in accounts. Expansion of number of payment points, through Navy platforms. Pilot of payment with Backus, a private company, and the Banco de la Nación in the district of María Parado de Bellido, Ayacucho, for a total of 100 users. Organization of synergies to provide supplementary services such as health care, which will progress depending on availability of personnel, infrastructure and supplies. 	<ol style="list-style-type: none"> Food assistance <ul style="list-style-type: none"> 2,675,540 children served (96.18% of target). 44,674 schools served (93.45% of target). 83.5% acceptance according to sample of 45,768 children in 21 departments. Co-management model <ul style="list-style-type: none"> 111 purchasing committees formed 38,379 school food committees formed (81% of target). Supervision & monitoring <ul style="list-style-type: none"> Infrastructure information is available for 34,206 schools. 15,489 schools have received monitoring visits. Equipment & infrastructure Inter-governmental coordination and synergies <ul style="list-style-type: none"> 378 local governments (68% of 555) committed to equipping and infrastructure for 2,641 schools.

Source: MIDIS (2013d).



A territorial approach in policy for development and social inclusion: toward joint efforts with regional and local governments for management of results

In Peru, the exclusion affecting households is clearly associated with the context or territory where the population lives. The territorial dimension is therefore inherent to an approach based on development and social inclusion. From the time of the Ministry's creation, MIDIS' policy had a direct relationship with certain territories—for example, those with greater concentrations of poverty and vulnerability, whose possibilities of benefiting from the country's economic growth have been systematically limited. Concretely, more than 53 percent of MIDIS' budget is spend in the ten poorest regions of the country.¹⁶

As discussed above, the greatest exclusion occurs in rural areas. It is not enough to focus efforts there alone, however, because rural areas also depend on urban zones for the promotion of development opportunities. Conceptually, the traditional idea of «rural» as the agricultural world has given way to contexts that depend on complementary economic and productive opportunities. MIDIS' therefore also decided to mainstream a rural territorial development (RTD) approach in public policy. RTD conceives territory not only as simply an administrative or geographic unit, but as a social construct. RTD thus contributes to the formulation of policy in two ways: a) making local development operational as an integral intervention in which territorial space is understood as a continuum between the rural and the urban, where rural territories are connected with cities and create synergistic interconnections among different stakeholders and activities for the development of capabilities; and b) facilitating the design of a multi-sector supply of services based on demands and opportunities in the territory.

16. With information about expenditures for 2013 on the social programs Pensión 65, Juntos, Qali Warma and Cuna Más.

Ultimately, this approach is designed to promote territories with a solid institutional basis, which can take advantage of the opportunities around them. The achievement of results from a policy for development and social inclusion centered on human development cannot be dissociated from this approach, and it necessarily implies establishing synergies between sectors and levels of government. In the case of MIDIS, this commitment stemmed from a commitment to interconnection and synergy understood as the confluence of efforts aimed at achieving priority results in the Ministry's target population: the population in the process of development and social inclusion (PePI). MIDIS therefore developed management instruments to guide its interventions, aligning them with sectorial, regional and local efforts already under way, and promoting venues for dialogue and collaboration with regional and local governments for the implementation of social programs and policies in the territory.

Because it was created so recently, MIDIS does not operate through decentralized offices. Nevertheless, its interventions have a strong presence in priority regions. This leads it to operate in a deconcentrated manner, which implies establishing partnerships and synergies with local political entities even though the Ministry has no input into their policies or regulatory matters, unlike other sectors such as Education and Health, which have a decentralized presence, or the Economy and Finance sector.

5.1 Background of implementation of a territorial approach to policy for development and social inclusion

According to the law that created it, MIDIS shares jurisdiction with regional and local governments on matters related to development and social inclusion. Nevertheless, its commitment to coordinated, synergistic organization goes beyond what regulations require. The Ministry believes that strategically, local and regional governments are natural leaders of territorial synergies. MIDIS must therefore create the conditions in which both the regional and local governments can guarantee the sustainability of efforts associated with achievement of priority results for social inclusion. To respond to this need, MIDIS activated processes of coordinated, synergistic coordination with them to consolidate the Ministry's guiding role in the territory while reinforcing the autonomy of regional governments as leaders of territorial synergies.

5.2 Challenges in the implementation of a territorial approach to policy for development and social inclusion

MIDIS' main challenge, therefore, was to implement a joint work strategy involving regional and local governments and the Ministry itself, which would also include other sectors; this would serve as a platform for consolidating the social inclusion initiatives that the Ministry began to design and implement in the territory and align them with regional agendas. The intention was to guide them, through the organization of territorial synergies, toward a more efficient public management model and toward increased attention and commitment from authorities in the territories, with the goal of development and social inclusion.

This strategy did not begin from square one; based on prior lessons learned, it had to take certain considerations into account, such as promoting a work on demand approach that reflected the priorities of regional agendas and was oriented toward territorial development results. It was also necessary to emphasize the strengthening of social policy management competencies in the territory and involve the offices of Social Development, Economic Development, and Planning and Budget, among others. This work strategy also had to promote the measurement and systematization of progress in its own implementation, to encourage accountability and the dissemination of achievements throughout the process. Finally, it was necessary to prioritize the consolidation of existing venues for coordination—ANGR, REMURPE and AMPE—as well as the institutional structures of the sectors in the territory.

In short, the goal of consolidating the leadership of regional and local authorities in conducting policy for development and social inclusion in their territories was not limited to compliance with what regulations required. MIDIS believed this was the only way to sustain the effort. It was necessary, however, to develop common approaches, agree on priority results and acknowledge regional and local processes, even though until then they had been scattered and only weakly aligned with policy priorities. Rather than being the conclusion of a synergy-building process, therefore, this was a starting point.

5.3 Decisions about implementation of a territorial approach to policies for development and social inclusion

- **First decision. Generate learning about territorial synergies at the local and national levels: P-20 and Innovative Policies for the Development of Rural Territories in Latin America (PIDERAL)**

To learn from territories and subsequently define relevant strategies for implementing a coordinated, synergistic social policy, MIDIS launched two complementary initiatives. The first, as promoter, was P-20, a pilot for creating territorial synergies in social policy in 20 provinces in the country. The second, as partner in a regional initiative with emphasis on the national level, was the Innovative Policies for the Development of Rural Territories in Latin America (*Políticas Innovadoras para el Desarrollo de los Territorios Rurales en América Latina*, PIDERAL).

Although the two initiatives differed in scope and scale, in terms of the challenge of implementing SINADIS, P-20 y PIDERAL shared the goal of combating inertia, fragmentation and lack of coordination and synergy in Peruvian government actions for addressing poverty and social exclusion, as well as a commitment to building consensus about strategies with stakeholders in the territory, monitoring the fulfillment of agreements, evaluating processes and their impact, and generating learnings to produce evidence about synergies and reorient the government's approach to effectively combat poverty.

P-20 set out to identify territorially appropriate processes and instruments for consistently and synergistically organization among sectors and levels of government to combat poverty. It also aimed to validate models of for establishing

such synergies in MIDIS' social programs to increase their effectiveness. P-20 aimed to develop synergistic intervention schemes based on instruments that were part of state administrative systems and ensure effective, results-based interventions in territories with the greatest concentration of populations to be included. This implied developing capacities for planning, implementing and measuring public interventions associated with the strategic areas of *Incluir para Crecer*, which would be conducive to the implementation of a system for programming investments in the territory. This system would prioritize inter-governmental and inter-sectorial investments to ensure better results and mechanisms for their sustainability.

PIDERAL aimed to consolidate the effectiveness of rural development programs in the countries where it operated, through the formulation and implementation of public policies for rural territorial development (RTD) aimed at incorporating rural territories into the country's overall development dynamics. Specifically, PIDERAL aimed to strengthen the governments' capacity to formulate policies that drive development in rural territories and encourage poverty reduction and good governance, with an emphasis on the participation of the most vulnerable population. It was therefore important to strengthen local stakeholder' ability to manage their own territories and develop synergies with the existing institutional chain of development.

- **Second decision. Optimize progress in the territory and align national, regional and local initiatives**

As part of the effort to mainstream RTD in policy for development and social inclusion, MIDIS determined that synergies could not be established «by decree.» Besides the regulatory framework, it was necessary to promote new work strategies with regional and local governments. Besides generating lessons learned from the territories, the Ministry decided to establish and/or consolidate processes of collaboration with those governments that had already launched or prioritized social development initiatives that coincided with the national government's proposal for development and social inclusion.

The Ministry opted for a four-step approach. The first was identification of the main interventions and priorities, associated with MIDIS' most important results, which the regional governments had launched or were launching. Second, once the interventions were identified, direct coordination was established with the regional governments to validate in the territory some of the initiatives that MIDIS was implementing—for example, guidelines for synergistic management for reducing chronic child malnutrition, tools for monitoring and evaluation, instruments for targeting, innovations associated with social programs, protocols for assistance to users—to help consolidate their priorities. Third, models of synergistic intervention were designed that were linked to the achievement of priority results agreed to between the regional governments and MIDIS, including management instruments such as technical assistance and accompaniment, assessments of technical or administrative constraints, control panels, communication and accountability. Fourth, lessons learned from the experience—which could be replicated or scaled up in other regions of the country—were identified.

In effect, the intersection between initiatives already launched by regional governments and MIDIS' strategic priorities was another «starting point» for building territorial synergies. This effort, however, was gradual. Efforts at synergy building essentially began with three regions—Ayacucho, La Libertad and San Martín—that showed interest and willingness to coordinate with the Ministry, and where initiatives were already under way. As Table 5.1 shows, instruments for synergistic work had been approved and were being implemented in all three, and in all cases there was clear alignment with the strategic areas prioritized in *Incluir para Crecer*. In the three regions, there were also experiences associated with P-20. Although the strategies in Ayacucho and La Libertad included objectives more integral than those of the Child Nutrition Program in San Martín, opportunities for collaboration and complementarity were identified in each case. Once they were identified, priority work areas were established and an operating plan outlined, including the definition of common agendas, commitments and concrete actions for putting the agreements into practice.

Table 5.1

MIDIS: SUMMARY OF REGIONAL INITIATIVES UNDER WAY

Region	Ayacucho	La Libertad	San Martín
Instrument for building synergies	Crecer Wari Regional Strategy	Crecer en Libertad Regional Strategy	Program of Integral Actions for Improving Child Nutrition (Programa de Acciones Integrales para Mejorar la Nutrición Infantil, Painmi)
Objective	Guarantee an organized government response that promotes the exercise of fundamental rights and inclusion in production systems, with access to government services.	Contribute to the decrease of poverty and chronic child malnutrition, with priority given to the poorest districts, promoting participation in management of the territory.	Decrease malnutrition among children under age 5 in the districts most vulnerable to food insecurity and nutritional insecurity.
Strategy and instruments (key ideas)	<ul style="list-style-type: none"> • Intervention area: Poor localities and families, with emphasis on quintiles 1 and 2; the INEI poverty map and Crecer Wari base line will be used. • Targeting: Geographic targeting criteria, poverty indices and chronic malnutrition rates established by INEI and the Crecer Wari base line, and individual targeting (Sisfoh). • Targets established for 2014, with emphasis on reduction of chronic malnutrition among children under age 5 in situations of nutritional vulnerability and poverty. 	<ul style="list-style-type: none"> • Institutional structure: Through a multi-sectorial group responsible for leading efforts to reduce poverty and chronic child malnutrition in children under 36 months of age, with emphasis on priority districts. • Measurement: By means of a system of indicators led by the Office of Development and Social Inclusion. • Thematic areas: Effective, quality health care; promotion of social and human capital; consensus-based local development and management; access to decent, healthy housing and basic sanitation; and development of productive abilities. 	<ul style="list-style-type: none"> • Multi-sector approach: Development and Social Inclusion, Education, Health, Housing, Production and Agriculture. • Supply-side and demand-side interventions: Quality and coverage of health and education services, and fostering healthy practices in households. • Bottom-up and top-down synergistic interconnections: Families, community boards, and local, regional and national governments. • Territorial approach: Local government leads interventions • Intervention unit: district.

Region	Ayacucho	La Libertad	San Martín
Linkages/ Contribution to MIDIS policy for development and social inclusion	<ul style="list-style-type: none"> • Commitment to territorial and multi-sectorial synergies to interconnect initiatives. • Emphasis on reduction of poverty and chronic child malnutrition, linked to productive and educational interventions. • The strategy is regional policy of the State (2008). 	<ul style="list-style-type: none"> • Commitment to territorial and multi-sectorial synergies to interconnect initiatives. • Emphasis on reduction of poverty and chronic child malnutrition linked to productive interventions. • Measurement of results, indicators and targets. • The strategy is regional policy of the State (2012). 	<ul style="list-style-type: none"> • Commitment to reduction of chronic child malnutrition as key area of regional policy for combating poverty. • Putting commitments into action through agreements. • The program is regional public policy (2011).

- **Third decision. Incorporate results-oriented development and social inclusion into the institutional structure of regional and local governments**

Along with lessons learned from the territory and alignment between policy for development and social inclusion, on the one hand, and regional and local initiatives, on the other, it was crucial to ensure that the efforts and commitments to ensure their sustainability became part of the institutional framework. MIDIS therefore focused on consolidating venues and, indirectly, on legitimizing existing platforms for representation. Among other things, the Ministry signed agreements with e ANGR, AMPE and REMURPE.

The framework agreement between ANGR and MIDIS aimed to develop synergistic efforts to promote, develop and strengthen national and sector-based policies for development and social inclusion, and to establish mechanisms and procedures to facilitate mutual collaboration and joint efforts. The joint initiatives would focus on the implementation of the strategic areas of the *Incluir para Crecer* National Strategy and the effective implementation of social benefits. The agreements the Ministry signed with Remurpe and AMPE were aimed at consolidating ties with local governments for the promotion of social inclusion. Complementary opportunities emerged as part of these commitments, such as the signing of an agreement for the promotion and development of inclusive rural enterprises through local resource-allocation committees operating out of municipal economic development offices.

Besides signing agreements with representative organizations of regional and local governments, MIDIS launched a gradual, bilateral process with regional governments, signing supplementary agreements with the regional governments of Ayacucho and La Libertad. Efforts were also launched to do the same with authorities in Apurímac, Cusco, Huancavelica and San Martín, with which common initiatives and opportunities had been identified in some of the strategic areas of *Incluir para Crecer*, such as the reduction of chronic malnutrition, early childhood development and economic inclusion.

Although these instruments helped establish an institutional foundation for commitments between MIDIS and regional and local governments, they were not enough. To ensure that these opportunities would go beyond mere words, instruments and budget allocations were needed. There were examples showing that this could occur. As part of the process of creating an institutional framework for

the strategic areas of *Incluir para Crecer*—chronic child malnutrition, for example—agreement was reached on regional targets for reducing malnutrition, which were accompanied by a budget commitment associated with the implementation of effective interventions. This is one example of the concrete form that coordinated, synergistic efforts could take when accompanied by monitoring instruments for verifying fulfillment of commitments and ensuring public accountability.

Table 5.2
MIDIS: AGREEMENTS WITH REGIONAL AND LOCAL GOVERNMENTS

	Agreement	Date	Key ideas
1	Pact for Development and Social Inclusion in Ayacucho	17/05/2012	<ul style="list-style-type: none"> • Strengthening the system for targeting social programs • Joint inter-governmental and inter-sectorial management of results • Promotion of territorial synergies in initiatives implemented by the three levels of government
2	Framework agreement for inter-institutional cooperation between MIDIS and REMURPE	25/10/2012	<ul style="list-style-type: none"> • Creation of mechanisms for channeling information about policy for development and social inclusion to municipalities • Training and guidance for the identification of social policy initiatives • Gathering of local information and social programs
3	Agreement between the Regional Government of La Libertad and MIDIS for synergistic efforts to combat chronic child malnutrition	26/10/2012	<ul style="list-style-type: none"> • Synergistic efforts to provide access to identity and combat chronic child malnutrition, with priority placed on children in families that are part of the PePI.
4	Framework agreement for inter-institutional cooperation between MIDIS and AMPE	14/01/2013	<ul style="list-style-type: none"> • Assistance and technical training in development and social inclusion • Establishment of social policy actions
5	Framework agreement for inter-institutional cooperation between MIDIS and ANGR	19/02/2013	<ul style="list-style-type: none"> • Development of consensus-based actions for identifying social policy proposals in the areas under the jurisdiction of the Ministry and the Association and through regional offices of Economic Development and Social Development.

5.4 Dilemmas of a territorial approach to policies for development and social inclusion

The territory is a basic element of the policy for development and social inclusion led by MIDIS, and it should gradually become mainstreamed in overall Peruvian public policy. Despite progress, however, dilemmas emerged both from the context and MIDIS' own institutional structure.

- **First dilemma. Commit to working toward the decentralization of MIDIS and its programs or create a model for creating synergies between MIDIS' national actions and regional and local governments**

The government has made significant strides in the validation and approval of a new National Decentralization Plan. As ANGR has noted, however, the plan still lacks the mechanisms necessary to ensure the leadership of regional governments and consolidate their role in a context of economic growth and increasing

public investment for social inclusion. The rules of operation and institutional arrangements needed for that are still weak and somewhat unclear; therefore there is still no consensus about the scope of the plan. Although it is only an instrument for organizing decentralization efforts, it does not send a clear signal about the terms and conditions under which the regional governments can negotiate—with MEF, for example—criteria for budget allocations and public investment. This poses a first dilemma. In response, and despite uncertainties about the decentralization process, MIDIS opted to promote a model for creating synergies between its actions and those under way in the territories.

- **Second dilemma. Promote MIDIS' leadership in each of its priority regions or give the region the leadership role despite current weaknesses**

The leadership that regional governments exercise—or should exercise—in organizing coordinated, synergistic efforts for development and social inclusion in the territory should not be up for discussion. Nevertheless, there is consensus that the regional governments' role is currently in question and as long as it is questioned, the sustainability of commitments to social policy is also in jeopardy. What is happening with some regional governments raises questions about the regional governments' ability to serve as institutional platforms for channeling and consolidating synergistic efforts. It is important, however, to distinguish management from institutional solidity. Management can operate with mechanisms that lack transparency, reflect subaltern interests, show signs of corruption, suffer from a lack of capability and/or have limited political vision and commitment. None of these elements should be sufficient grounds for questioning the strategic importance of regional governments as an institution. They could mean, however, that what is not operating appropriately is the national government's ability to create the necessary conditions, instruments and capabilities, so that, along the lines discussed in the preceding section, it is possible to align agendas, measure progress and establish mechanisms for accountability. MIDIS therefore chose to consolidate the regional governments' leadership despite the weaknesses and questions about their institutional solidity, as they are strategic for achieving results in the territories.

- **Third dilemma. Intervene centrally, on grounds of efficiency, without establishing synergistic efforts with regional and local governments, or align interests using incentives and recognizing local stakeholders as partners**

Commitment and good will are fundamental to public policy, but obviously are not enough. Although policy for development and social inclusion includes a series of instruments for fostering synergies, promoting the generation of evidence for decision making and implementing increasingly effective policy interventions and social programs, complementary mechanisms are needed to «close gaps,» not only in terms of results, but also in management processes. The use of incentives is key, and MIDIS incorporated this into its approach.

The 2014 Public Sector Budget Law created the Stimulus Fund for Performance and Achievement of Social Results (*Fondo de Estímulo al Desempeño y Logro de Resultados Sociales*, FED) to drive achievement of the targets of the “Incluir para Crecer” National Strategy—specifically in the area of early childhood development—

in the regions. The fund has 100 million soles to be managed by MIDIS in coordination with MEF.

Operationally, FED will be implemented in the regions with the greatest gaps in social results. It is expected to make the implementation of results-based public management more effective. To make FED effective, the priority regions will sign an agreement of performance-based allocation, by which they will assume management commitments and targets for coverage of products and services, and can receive resources based on the degree to which they meet those targets and commitments. This initiative is in its initial phase and poses dilemmas in terms of time frames and the sustainability of these efforts.

- **Fourth dilemma. Achieve a strong presence in the territory through decentralized offices or promote a model of coordination through liaison offices**

Managing policy for development and social inclusion in the territory requires an institutional framework that makes decisions operational and supports a coordinated, synergistic approach. In its efforts to implement a policy with a territorial approach, MIDIS faced the challenge of coordinated, synergistic internal organization of its initiatives and efforts and of linking them with regional priorities. To ensure that both policy interventions and social programs under MIDIS' responsibility would have an institutional structure in the territory, the Ministry established liaison offices led by the territorial coordinators.

The coordinators would be charged with implementing the management of MIDIS' social programs at the regional level, as well as promoting opportunities for establishing synergies between policy interventions for development and social inclusion and other associated sectorial initiatives. In operational terms, since the beginning of 2013, MIDIS has had 24 coordinators in territories. There are currently coordinators in 23 regions and one in the VRAEM. They represent MIDIS in the territory. A dilemma also arose here, however: the territorial coordinators should not only manage sectorial policy in the territory, but should also be part of it as agents of development. This implies designing the necessary mechanisms, in terms of capacity building and management instruments, to ensure that they have the necessary skills and that this occurs in a timely manner. In other words, if the coordinators were crucial for successful management of policy for development and social inclusion, obviously the conditions would have to be created to include them, in turn, as subjects of the policy they were responsible for managing.

In conclusion, using the human development approach that led to its origin, MIDIS addressed these dilemmas and opted for coordinated, synergistic organization based on alignment of objectives and commitment to results, mainly with priority regions and/or those that expressed interest in taking such an approach to their work. The process of establishing synergies was gradual and on demand. Where conditions for synergies or joint efforts did not exist, MIDIS limited itself to providing social benefits through its programs and/or in partnership with other sectors, such as Education and Health, or with sectors that provide infrastructure. Where conditions were ripe for synergistic efforts, however, initiatives were launched that went well beyond providing social benefits. In these cases, a regional, provincial or local process of development and social inclusion processes were established in

which goals were defined jointly and procedures were adapted to local conditions, resources, demands and opportunities.

Outcomes have therefore differed, depending on the regional configuration. In regions with greater commitment and local investment, initiatives were mobilized more quickly, and those regions currently exhibit greater and better results. The San Martín region is emblematic. That region's progress in reducing chronic malnutrition is a clear example of political commitment on the issue. The synergies in the "Incluir para Crecer" National Strategy at the regional and local levels still face significant challenges; nevertheless, there is now a series of experiences that have resulted in best practices from which lessons can be learned.



It is difficult to write an epilogue when the experience being analyzed is still under way. More than describing specific actions or advances of the Ministry, however, the purpose of this document has been to analyze the main challenges, decisions and dilemmas that characterized the first phase of the process of implementing MIDIS. More than summarizing what was done, the intention has been to reflect on the experience, based on the conditions that existed when the Ministry was created and began its work, and, above all, to discuss the decisions that were made, and which facilitated the implementation of a human development approach to Peru's social policy. The launch of MIDIS moved human development from rhetoric to practice through a series of measures that led, in a more or less organized fashion, to the implementation of an approach based on achieving development and welfare outcomes for Peruvian citizens.

The document analyzed the Ministry's four principles: orientation and alignment of results-based public interventions, measurement and accountability, effectiveness of social programs and a territorial approach. This led to reflection on processes and results, including consistent and synergistic policy, the formulation of evidence-based policy, the contribution of social programs to poverty reduction, and the definition of a joint approach with regional and local governments. The identification of challenges, decisions and dilemmas—summarized in Table 6.1—made it possible to establish interconnections among the intentions, processes and results of each of the four principles analyzed.

Table 6.1

SUMMARY MATRIX: CHALLENGES, DECISIONS AND DILEMMAS

	Challenges	Decisions	Dilemmas
Results-based orientation and alignment: toward the organization of coordinated, synergistic policy for development and social inclusion.	<ol style="list-style-type: none"> 1. Dispersion of approaches, strategies and efforts related to management of social policy. 2. Limited ability to manage social inclusion. 3. Incipient real ability for coordinated, synergistic organization between sectors and levels of government. 	<ol style="list-style-type: none"> 1. Design an instrument to guide results-based social policy: the "Incluir para Crecer" National Strategy for Development and Social Inclusion. 2. Validate the model for organization of coordinated, synergistic social policy in the territory: pilot of territorial synergies in social policy. 3. Define an institutional platform to guarantee the implementation of processes for organizing coordinated, synergistic social policy: SINADIS 	<ol style="list-style-type: none"> 1. Reinforce conventional mechanisms for coordination or address the concept of «primus inter pares» in the organization of coordinated, synergistic social policy. 2. Consolidate MEF's coordinating role or «de-MEF-ize» efforts for the organization of coordinated, synergistic social policy. 3. Promote a strategy of independent regional coordination or consolidate the organization of coordinated, synergistic social policy with regional and local governments. 4. Promote an approach in which measurement is done only by the sector or promote shared responsibility in this area with agents external to social policy.
Measurement and accountability in policy for development and social inclusion: toward an evidence-based approach	<ol style="list-style-type: none"> 1. Introduce an approach emphasizing monitoring and evaluation in policy for development and social inclusion. 2. Design a results-oriented strategy with clear targets. 3. Link evaluation results with commitments and consequences. 4. Develop proposals for new management instruments that are feasible, measurable and cost-effective. 	<ol style="list-style-type: none"> 1. Define an emblematic population rather than a target group. 2. Define a series of indicators and targets linked to the sector's priority results. 3. Design instruments to promote monitoring of results and transparency. 4. Make evaluations part of the institutional framework. 	<ol style="list-style-type: none"> 1. Alignment or temporal lack of synchronization between decisions and the observation of results of interventions. 2. Alignment or temporal lack of synchronization between the observation of results and impact on national statistics. 3. Strategic alignment or lack of synchronization between effort to promote evaluations and institutional arrangements related to public policy.





	Challenges	Decisions	Dilemmas
Effectiveness in social programs: toward poverty reduction and the achievement of results for development and social inclusion	<ol style="list-style-type: none"> 1. Organize a coordinated, synergistic approach to social programs, orienting them toward effective poverty reduction. 2. Manage the heterogeneity of programs efficiently. 3. Invest against results of the policy for social inclusion. 	<ol style="list-style-type: none"> 1. Align social programs with policy for social inclusion. 2. Evaluate to redesign and reorganize social programs. 3. Organize social programs with a results-based-budgeting approach. 4. Reform Sisfoh as basis of effectiveness of social programs. 	<ol style="list-style-type: none"> 1. Prioritize the design of new interventions or reinforce achievements of social programs in efforts to reduce extreme poverty. 2. Replicate external models or design «showcase experiences» to test models and expand evidence-based programs. 3. Base good performance of social programs on conventional procedures or activate innovations and mechanisms for a coordinated, synergistic approach «with consequences.» 4. Maintain a passive role for civil society in management of programs or propose new mechanisms for participation.
A territorial approach to policy for development and social inclusion: toward a joint plan with regional and local governments for the management of results	Design a joint, operational approach to work involving regional and local governments and the Ministry, to serve as a platform for consolidating the social inclusion initiatives that the Ministry began to design and implement in the territory and align them with regional agendas.	<ol style="list-style-type: none"> 1. Generate learnings about territorial synergies at both the national and local levels: P-20 and Pideral. 2. Optimize progress in the territory and align national, regional and local initiatives. 3. Institutionalize linkages conducive to development and social inclusion outcomes with regional and local governments. 	<ol style="list-style-type: none"> 1. Move toward decentralization of Midis and its programs or create a model for synergistic interconnection of Midis' national actions and regional and local efforts. 2. Promote a leadership role for Midis in each of its priority regions or give leadership to the regions, despite their weaknesses. 3. Intervene centrally, on grounds of efficiency, without creating synergies with regional and local governments, or align interests using incentives and recognizing local stakeholders as partners. 4. Maintain a strong presence in the territory through decentralized offices or promote a model of coordination through liaison offices.

The challenges were rooted in the need to escape the inertia that characterized Peru's social policy before 2011. This implied organizing the lessons learned from prior experience, introducing new approaches and creating instruments for them, measuring for better decision making, and management. Decisions were related to the design of instruments, interventions and institutional arrangements—both at the policy level and in benefits—for addressing the challenges we have discussed. Finally, a series of dilemmas arose along the way; these situations required decisions based on the analysis of complex scenarios about which complete and/or timely information was not necessarily available. In many cases, it was necessary to choose between known, conventional, previously validated procedures and others that implied testing new strategies and promoting management innovations based on dialogue, negotiation, recognition of prior work and the priorities of strategic partners.

Putting MIDIS' experience into perspective, it is clear that more progress could have been made. Nevertheless, its achievements—at the time and under the conditions that existed when it began—are not trivial and reaffirm, as a publicity spot released to celebrate MIDIS' first anniversary put it, that the work of social inclusion in Peru has begun.¹⁷

In terms of lessons learned,¹⁸ in public policy it is crucial, though unusual, to accumulate experience to support decision-making. Despite the challenges, MIDIS' progress demonstrates how the human development approach has been implemented in policy for development and social inclusion. To learn lessons, we must reflect on the factors that facilitated the process and those that inhibited it. Facilitating factors included:

- **Alignment of interventions based on a human development approach in the various phases of the public management cycle.** Beginning with a clear approach is important, but insufficient. To move from rhetoric to practice in public policy, it is necessary to connect the approach and the decisions stemming from it in the management cycle. The national strategy linked strategic areas to budget programs, as well as to the monitoring and evaluation phases. For example, benefits operated according to results-based budgeting, so as to become instruments for establishing consistency and synergies with key sectors, such as the ministries of Education and Health.
- **Measurement and the generation of information are keys to the accountability that accompanies the movement from rhetoric to practice.** To formulate public policies, it is crucial to have information for timely decision-making. This helps promote transparency and accountability, which are the basis for restoring public trust in the government and its interventions. Generating information was crucial for the decisions necessary for implementing MIDIS. In both the national strategy and social programs, matrices of indicators associated with each strategic area made it possible to monitor and provide information by using control panels.

17. The spot is available at <<https://www.youtube.com/watch?v=GZkj6T8W2tw>>.

18. This section is based on the final discussion of the presentation made at the Latin American and Caribbean Association for Human Development and the Capabilities Approach (*Asociación Latinoamericana y del Caribe para el Desarrollo Humano y el Enfoque de las Capacidades*, ALCADECA) (Vargas y Trivelli 2014).

- **Activation of opportunities for collaboration among stakeholders is key for achieving people-centered outcomes.** In public policy, it is unusual for the generation of results to depend on just one sector. Activating outcomes implies aligning priorities, wills and sectorial, regional and local strategies. Both the national strategy and social programs imply MIDIS-led approaches that depend on strong synergies with the efforts of other stakeholders. This was promoted from the outset, although not without difficulties. These initiatives also helped make the efforts consistent with those of international cooperation, the private sector and others that were already under way, strengthening all the efforts.
- **A review of prior lessons learned allows for the accumulation of knowledge, promoting people-centered outcomes.** Learning from experience to optimize interventions is not a common practice in public policy. If we take a human-development approach, however, this becomes not a choice, but a condition. In the initial phase of MIDIS, «starting from scratch» was not an option, so the decision was made to analyze and learn from prior experiences, gleaning lessons that could be incorporated into the design of the interventions.

Inhibiting factors, meanwhile, included:

- **The complexity of public management processes is a constraint on moving from rhetoric to practice.** In many cases, public policy emphasizes the «efficiency» of processes over the achievement of observable outcomes for people. Excessive attention to compliance with administrative procedures distracts from progress and limits willingness to organize coordinated, synergistic efforts. In many cases, instead of facilitating the transition toward practice, procedures punish it. Despite the difficulties encountered, however, the three interventions made auspicious efforts to connect procedures with outcomes.
- **Resistance to innovation clearly inhibits the adoption of new public policy approaches.** The formulation and implementation of policies center on conventional methods of operating. Introducing innovative approaches takes time, especially because now, more than before, the emphasis is on evidence-based interventions. Because of MIDIS' efforts to build on prior experience, this resistance was moderated somewhat, which facilitated progress.
- **Differences in the time horizons that operate simultaneously in public policy affect the achievement of human development results.** Evidence shows the tensions between time frames that exist in the political sphere, the creation of interventions with technical support, and the demands of the population. The implementation of reforms often transcends political time frames. Complementary efforts are therefore needed to align agendas in a way that is conducive to outcomes; as in the case of MIDIS' interventions, this also implies validating assumptions and learning on the job.
- **The gap between a sectorial public-policy approach and the achievement of inter-sectorial results limits movement from that approach to practice.** Public policy tends to be based on a compartmentalized approach, while the desired results require coordinated, synergistic organization. Changing that approach posed a huge challenge for MIDIS and implied designing innovative interventions,

formalizing them with regulatory instruments, and developing capabilities for implementing them.

As an epilogue, it is necessary to share some prospects for more consistent and effective synergies between human development and public policy. Despite progress in the shift from rhetoric to implementation of a human-development approach in policy for development and social inclusion, the task is not finished. The transition must be consolidated and scaled up in other sectors to become central to public policy. The greatest challenge is to ensure replicability, a strong institutional foundation and sustainability.

Analysis of MIDIS' experience clearly shows that some decisions could have been made differently or could have considered other factors or conditions. The idea, therefore, is not to propose formulas or prescribe strategies. As indicated at the beginning, the intention of this paper is to document and share an experience that constitutes a unique approach in the country: an effort to organize coordinated, synergistic, results-oriented social policy.

To ensure the continuity of these efforts, we believe it is necessary to operate on three complementary fronts: a) *consolidating capabilities at different levels*: human development means activating results for people, which assumes developing capabilities for managing processes and political capabilities that provide support for the rhetoric; b) *creating a knowledge base* that supports the human development approach as prospect, practice and—crucially—official public policy; and c) *emphasizing the importance of processes* for innovating and for transcending conventional mindsets that limit the achievement of results.

In short, the challenge is to change the compartmentalized approach to public policy in a situation that demands human development results that are inter-sectorial by nature. What is at stake is the final outcome of an approach that emphasizes promoting opportunities and people's capabilities, and which aims to restore confidence in the government, in social policies and, ultimately, in citizens who can become agents of development in a context that is increasingly demanding, but which also offers greater alternatives. That is the greatest dilemma, but also our greatest opportunity.



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