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ANNUAL REPORT FY 4 2016

OCTOBER 2015 - SEPTEMBER 2016

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PERU PRODECENTRALIZATION PROGRAM

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ACRONYMS AND ABBREVIATIONS

AMPE	<i>Asociación de Municipalidades del Perú</i> (Peruvian Municipalities Association)
ANGR	<i>Asamblea Nacional de Gobiernos Regionales</i> (National Assembly of Regional Governments)
APN	<i>Atención Pre-Natal</i> (Prenatal care)
ARA	<i>Autoridad Regional Ambiental</i> (Regional Environmental Authority)
CAT	Training and Technical assistance (capacitación y asistencia técnica)
CENEPRED	<i>Centro Nacional de Estimación, Prevención y Reducción de Riesgos de Desastre</i> (National Center for Disaster Risk Estimation, Prevention and Reduction)
CEPLAN	<i>Centro Nacional de Planeamiento Estratégico</i> (National Center for Strategic Planning)
CGR	<i>Contraloría General de la República</i> (National Comptroller's Office)
CHERL	Comunidad Homosexual Esperanza para la Región Loreto
CONADIS	<i>Consejo Nacional para la Integración de la Persona con Discapacidad</i> (National Council for Disabled people)
COPARE	<i>Consejo Participativo Regional de Educación</i> (Participatory Regional Education Board)
COPALE	<i>Consejo Participativo Local de Educación</i> (Participatory Local Education Board)
CRED	<i>Control del Crecimiento y Desarrollo del Niño Menor de Cinco Años</i> (Growth and development control of children under five years)
CSOs	Civil Society Organizations
DEVIDA	<i>Comisión Nacional para el Desarrollo y Vida sin Drogas</i> (National Commission for Development and Life without Drugs)
DIRESA	<i>Dirección Regional de Salud</i> (Regional Direction of Health)
DP	<i>Defensoría del Pueblo</i> (Ombudsman's Office)
DRE	<i>Dirección Regional de Educación</i> (Regional Direction of Education)
FOCAS	Functional Organization Capacity Assessment
FONIE	<i>Fondo para la Inclusión Económica en Zonas Rurales</i> (Fund for Economic Inclusion in Rural Areas)
FY 2015	Fiscal Year 2015
GGD	<i>Grupo de Gestión Descentralizada</i> (Decentralized Management Groups -DMG, Cluster's)
GIZ	<i>Gesellschaft Für Internationale Zusammenarbeit</i>
GOP	Government of Peru
ICI	Index of the institutional capacities
IGP	<i>Instituto Geofísico del Perú</i> (Geophysical Institute of Peru)
INDECI	<i>Instituto Nacional de Defensa Civil</i> (National Institute of Civil Defense)
JNE	<i>Jurado Nacional de Elecciones</i> (National Jury of Elections)
MCLCP	<i>Mesa de Concertación Para la Lucha Contra la Pobreza</i> (Roundtable on the Fight Against Poverty)
MEF	<i>Ministerio de Economía y Finanzas</i> (Ministry of Economy and Finance)
MIDIS	<i>Ministerio de Desarrollo e Inclusión Social</i> (Ministry of Development and Social Inclusion)
MGD	<i>Matriz de Gestión Descentralizada</i> (Decentralized Management Matrix-MGD)
MIMP	<i>Ministerio de la Mujer y Poblaciones Vulnerables</i> (Ministry of Women and Vulnerable Populations)
MINAM	Ministerio de Ambiente
MINDEF	<i>Ministerio de Defensa</i> (Ministry of Defense)

MINEDU	<i>Ministerio de Educación</i> (Ministry of Education)
MINJUS	<i>Ministerio de Justicia y Derechos Humanos.</i> (Ministry of Justice and Human Rights)
MINSA	Ministerio de Salud
M&E	Monitoring and Evaluation
ONDS	<i>Oficina Nacional de Diálogo y Sostenibilidad</i> (National Dialogue and Sustainability Office)
ONG	<i>Organización No-Gubernamental</i> (Non-governmental Organizations)
OTEPA-MINEDU	Oficina de Transparencia, Ética Pública y Anticorrupción del MINEDU
PCM	<i>Presidencia del Consejo de Ministros</i> (Prime Minister's Office)
PEI	<i>Plan Estratégico Institucional</i> (Institutional Strategic Plan)
PEMP	<i>Plan Educativo de Mediano Plazo</i> (Mid-Term Education Plan)
PI	<i>Plan de Incentivo Municipal</i> (Municipal Incentive Plan)
PIPs	Public Investment Projects
PMP	Program Monitoring and Evaluation Plan
PNUD	Programa de las Naciones Unidas para el Desarrollo
PUCP	Pontificia Universidad Católica del Perú
QSIP	<i>Plan de Mejora de la Calidad de Servicios</i> (Quality Service Improvement Program)
REMURPE	<i>Red de Municipalidades Rurales del Peru</i> (Peruvian Rural Municipalities Network)
SD/PCM	<i>Secretaría de Descentralización-PCM</i> (Decentralization Secretariat at the Prime Minister's Office)
SERVIR	<i>Autoridad Nacional del Servicio Civil</i> (National Authority on Civil Service)
SGP/PCM	<i>Secretaría de Gestión Pública-PCM</i> (Public Management Secretariat of the Prime Minister Office – PCM)
SINAGERD	<i>Sistema Nacional de Gestión del Riesgo de Desastres</i> (National Disaster Risk Management System)
TA	Technical Assistance
UGEL	<i>Unidad de Gestión Educativa Local</i> (Local Education Management Unit)
UNICEF	United Nations Children Funds
UNAP	Universidad Nacional de la Amazonía Peruana
USAID	United States Agency for International Development

ANNUAL REPORT

EXECUTIVE SUMMARY

The transition of power within the national government was the salient event in Year Four of Program implementation. As such, the Program worked during the first half of the year in the midst of an intense election campaign with two significant outcomes that will affect the next five years: 1) the election of a new Congress in April 2016, and 2) the election of the new President, after a second round in June of 2016. The campaign was polarized, very aggressive and lacking substantive debate on important policy issues.

Election results gave an overwhelming majority in Congress to the party led by presidential candidate Fujimori --*Fuerza Popular* (73 seats out of a total 130). Fujimori lost the bid for president by a narrow margin to the candidate for the party led by Pedro Pablo Kuczynski --*Peruanos por el Cambio*. President Kuczynski is now the new President, with a small contingency of his party in Congress (18 out of 130 seats). The second largest group in Congress is *Frente Amplio* – a group of leftist organizations holding 20 seats.

The Program moved quickly to engage with new authorities taking office in the Executive and the Legislative to give continuity to the initiatives supported by ProDecentralization at the national level and to reinforce progress to date and continue activities as quickly as possible.

Concluding Year Four, the Program considers that there is a favorable political context that bodes well for the sustainability of processes underway, particularly those to improve decentralized management and strengthen management tools at the central government level. Nevertheless, the structural problems plaguing public administration remain (i.e. delays in implementing public service careers, which in turn leads to high rates of personnel turnover; limited training for public officials; a need for more resources to ensure fulfillment of duties assigned to regional and local governments; weak inter-sectorial and intra-sectorial coordination; as well as poor coordination among all three levels of government, etc.).

In light of the above, the Program will look for windows of opportunity to consolidate the progress made to date to influence these structural problems. As such, political will, technical capacity and required resources are large cogs in the wheels that move forward to sustain the positive changes in public administration achieved by the USAID ProDecentralization Program.

In this context, main advances in Program implementation during FY4-2016 are:

Task 1: Improve Key Policies and Reforms

The Program continued to place efforts to promote coordination and collaboration among the three levels of government as the key focus in working with national agencies to strengthen regulatory authority, and in the case of sub-national governments, to strengthen capacity for effective decentralized management. As a result of these good practices at the sub-national level, the Program contributes to improving national policy in response to current conditions and meets the expectations of citizens, particularly in Amazonia (From practice to policy):

- ✓ The Institutional Capacity Diagnostic has been institutionalized as a management tool for subnational governments, both at the central government level as stipulated under a resolution issued by the Secretariat for Decentralization 015-2016-PCM/SD, which was published on June 1, 2016 in the El Peruano official gazette. See <http://www.elperuano.com.pe/NormasElperuano/2016/06/01/1386225-1.html> and http://www.pcm.gob.pe/wp-content/uploads/2016/06/RSD_015-2016-PCM-SD.pdf. This was also institutionalized at the subnational level by 23 regional and local governments. The tool enables regional and local governments from all over the country to measure their capacities for planning, producing regulations, implementing and managing, promoting citizen participation

and oversight and control -- as is the case among the subnational governments working with the Program.

- ✓ The Program:
 - Supported regulatory agencies in the central government to draft and validate documents to improve decentralized management. Furthermore, the Program provided assistance to have each of the documents disseminated among decentralized governments in Amazonia.
 - Worked to strengthen the regulatory authority in selected central government agencies
 - Provided technical assistance to transfer central government management authority: with the CGR, prepared Guidelines on preventive measures when transferring management authority from central government agencies, as approved by Comptroller Resolution 088-2016-CG published on March 18, 2016 in the *El Peruano* official gazette.
 - Strengthened efforts working with SERVIR to ensure appropriate conditions within public institutions to transition toward civil service reform, as well as to validate and tailor the tools required for the process
 - Provided technical assistance to the Congressional Committees on Decentralization, Regionalization, Local Governments and Modernization of Public Administration to prepare the August 2011 to July 2016 congressional report on the decentralization process. The report is very significant in covering the five-year congressional term while transferring the legislative agenda to the newly assembled Congress.
 - Strengthen ANGR through the provision of sustained technical assistance.
- ✓ In promoting and strengthening policy dialogue, ProDecentralization positioned itself as one of the program leaders in the partnership “Public Policy Dialogue” (Diálogos de Políticas Públicas) and as part of the team that promoted the initiative, along with the Institute for Peruvian Studies (Instituto de Estudios Peruanos-IEP). The initiative gathered 16 partners from the international donor community and the private sector.
- ✓ The process to prepare the “2016 Annual Report on Decentralization” proved a significant opportunity to promote and strengthen policy dialogue over the course of the year. Keeping in mind that much of the debate took place in the context of national elections, discussions focused on decentralization reform and links to other necessary reforms to ensure that decentralization is effective. As is shown in the table below, the recommendations from the report were presented at a public event in Lima as well as at the decentralized level.
- ✓ As a result of Program coordination efforts the El Peruano official gazette published for the third consecutive year a special supplement dedicated to the conclusions of the Annual Report on Decentralization as of January 2016. The supplement also included op-ed pieces by five renowned specialists. The supplement JURIDICA was distributed nationwide, particularly to public sector institutions and to decision makers.
- ✓ ProDecentralization assisted the development of user-friendly versions of key policies and tools to improve decentralized management by sub-national governments. The tools (6) were disseminated by each of the respective agencies.

Task 2: Strengthen Decentralized Sub-National Institutions in Target Regions

The Program has continued in FY4-2016 to tailor efforts with regional and local GGD member governments and focus primarily on strengthened capacity for effective coordination among all three levels of government, improved compliance with the five broad functions as stipulated in regulations and improved quality in delivering public services:

Some results are as follows

- ✓ A total of 26 governments' members of the GGD¹ continued their commitment to work on the improvement of prioritized services through the practices of intergovernmental coordination. During this past year only the district Municipality El Cenepa didn't, participate in the activities implemented by the GGD.
- ✓ 100% of decentralized governments (26) appointed technical teams or at least one official with responsibility for applying the FOCAS tool. Similarly, 100% of the public servants on those teams are well versed in the tool, acknowledge its importance to fulfill their duties and have applied it to the prioritized services in their respective regions.
- ✓ With the exception of El Cenepa, 100% of decentralized governments that comprise the total of GGDs have comparative data (a group of them during 4 years and others during the last 2 years) to measure progress. The Program confirms that overall; the Institutional Capacity Index (ICI) went up in 2016 when compared to data from 2015.
- ✓ In terms of strategic and operational planning, the Program reports governments working in compliance with the guidance issued by the relevant regulatory authority (CEPLAN) and improvements in delivering services.
- ✓ The Program provided technical assistance to seven sub-national governments which were subsequently acknowledged for their good practices in public administration: a) two municipalities were given the "Municipal Seal" by MIDIS (the MD in Rio Santiago and the MP in Condorcanqui); b) the Lamas UGEL received recognition by the Ucayali Regional Government as one of the 2016 Management Top 20 for good practices in education management awarded by MINEDU, and c) four municipalities were awarded the Local Sustainable Environmental Management Prize (GALS 2015 – 2016) by MINAM (Provincial Municipality in Tambopata and the MDs in Las Piedras and Inambari in Madre de Dios and the Provincial Municipality in Coronel Portillo, Ucayali).
- ✓ Sub-national governments are now better prepared to transition toward civil service because of the following: a) completed posts and positions mapping for 19 local governments² and process mapping that included estimated positions and frequencies for ten local governments working with ProDecentralization,³ and b) a new commission on modernization in place at the Regional Department of Education in San Martin as authorized in Resolution 1596-2016-GRSM/DRESM dated June 7. The Commission completed proposals on process inventories to be validated (and aligned with MINEDU regulations), temporary CAP and organization structure for DRE (aligned with MINEDU and SERVIR guidance).
- ✓ Some activities have been institutionalized to improve the quality of services delivered. For example:
 - 100% of health centers in Loreto (seven) completed and officially approved CRED improvement projects or plans. 100% of health centers in Amazonas (four) completed a CRED improvement plan and approved APN plans to improve services.
 - 100% of health centers in Loreto (seven) and in Amazonas (four) officially appointed members of the Improvement Teams heretofore responsible for implementing their respective plans or projects.
 - GGD member governments in Ucayali and Madre de Dios included improved sanitation service as part of the institutional operational plans: 80% of governments in Ucayali (four out of five, including the MP in Coronel Portillo and the MDs in Yarinacocha, Manantay and

¹ In the case of Madre de Dios, as mentioned, the new Regional Governor expressed his decision to be directly responsible for all donor resources and rejected any possibility of working in cooperation with donor agencies. Similarly, the MD in Laberinto verbally conveyed its decision to refuse ProDecentralization assistance.

² Loreto (MP in Maynas and MDs in Indiana, Mazan, Belen, Fernando Lores, Punchana and San Juan Bautista), Madre de Dios (MP in Tambopata and MDs in Las Piedras and Inambari), San Martin (MP in Lamas and MDs in Barranquita, Zapatero, Tabalosos and Cunumbuqui) and Ucayali (MDs in Nueva Requena, Yarinacocha, Campo Verde and Manantay).

³ MDs in Campoverde, Ucayali; Fernando Lores and Belen in Loreto; Cunumbuqui, Zapatero, Barranquita and Tabalosos in San Martin; Inambari in Madre de Dios and Provincial Municipalities in Lamas, San Martin and Tambopata in Madre de Dios.

Nueva Requena) and 100% of the governments in Madre de Dios (three out of three: the MP in Tambopata and the MDs in Inambari and Las Piedras).

- 100% of the GGD member governments in Madre de Dios updated their service improvement plans for public sanitation including specific activities for improvements using a process-based approach.

Health: CRED and APN Services

- ✓ Health officials worked to review, classify and systematize patient historical clinical files (HCs in Spanish) as follows: **Loreto:** 100% completed in six out of seven health centers – the only exception being in 06 de Octubre with delays due to personnel turnover; **Amazonas:** all four health centers completed the process for 100% of the HCs.
- ✓ Wait times for outpatients have improved from 2015 to 2016. In Loreto, six of the seven health services working with the Program reduced wait times for CRED services (Bellavista Nanay by two minutes, Moronacocha cut wait time by four minutes, San Juan Bautista by four minutes, Indiana by two hours and 34 minutes, Mazan by one hour and three minutes and Tamshiyacu by one hour and 25 minutes). Similar tendencies can be observed in Amazonas with reduced wait times reported at four health centers (Nieva by 9.5 minutes, Kigkis by seven minutes, Galilea by 8.5 minutes and Huampami by seven minutes).

Environmental Management: Public Sanitation and Environmental Education

- ✓ Increased frequency of weekly public sanitation services:
 - **Ucayali:** The Coronel Portillo MP increased from an average of six times in 2015 to 6.5 per week in 2016. The MD in Yarinacocha increased from four to five times per week in 2016. Other municipalities maintained the same frequency as in 2015, i.e. Campo Verde at three times a week and Nueva Requena at six times a week.
 - **Madre de Dios:** The Tambopata Provincial Municipality provided service on average three times per week in most areas. Inambari increased from 1.78 times a week in 2015 to 2.3 times a week in 2016 and Las Piedras increase services at 1.4 times per week.
- ✓ Efforts to improve environmental education led to increased awareness among more than 2,000 individuals in Madre de Dios, including authorities, officials, teachers and the general public. Significant progress has been made on environmental education in Ucayali: 20,000 residents are aware of public sanitation issues and the need to deposit solid waste in appropriate bins or bags provided by their local governments; 50 tons of waste was collected during the San Juan Festival (20 tons in the days leading up to the event and 30 tons on June 24-25); 142 volunteers joined in to raise awareness; 50 schools and three associations (University Environmental Network, MAI METSA and the association to restrict littering) committed to achieving results; in coordination with OEFA, ARAU and DREU, 113 students (72 girls and 42 boys) from schools in Coronel Portillo strengthened their capacity regarding environmental issues by participating in a workshop for Ecoclubs; and 12 Ecoclubs set up at schools in Coronel Portillo to promote environmental education.

Education: Education Material Distribution and Teacher Hiring in Lamas, San Martin

- ✓ Effectively reduced distribution times from 81 days in 2013 to 24 days in 2016. This accomplishment can be attributed to more expedient procurement processes, faster submission by schools as to their requirements based on enrollment lists, better planning, more expedient terms of reference to outsource services and contract transportation companies to distribute education materials.
- ✓ Local governments are no longer responsible for teacher hiring. The Regional Government in San Martin filled 100% of teaching positions. Local governments in Lamas now allocate resources to fill other needs for improving education services.

Expand Education Services in Ucayali

The Program reports significant progress this year as follows:

- ✓ Modernization and decentralization of education management: the Ucayali DRE is in possession of diagnostics, evaluations and proposed recommendations for regional education management. There are two diagnostics (on Ucayali regional education management and the process to distribute education material and resources in Coronel Portillo), one evaluation of the Medium-Term Education PMP, one proposed methodology to update the PER and two proposed management instruments for DREU (2017 POI and TUPA).
- ✓ To improve the distribution process and verify the final destination of educational materials and resources in the context of getting the school year off to a good start, DREU completed an improvement plan and reinstated the COPARE.

Manage and Respond to Conflict

- ✓ Regional Offices on Dialogue and Social Conflict Management in Ucayali, San Martín, Loreto and Amazonas strengthened with Program support, and also the Regional Governments in Amazonas and Ucayali received technical assistance to establish their offices.

Natural Disasters

- ✓ Governments approved four instruments to mitigate disaster risks: a) three contingency plans in preparation for heavy precipitation in 2015-2016 and the effects of the El Niño weather phenomena –Amazonas issued Regional Resolution 539-2015-GRA-GR, Ucayali issued Regional Resolution 060-2016-GRU-GR and San Martín issued Regional Ordinance 001-2016-GRSM/CR and b) the Amazonas Regional Development Plan (PDC) which includes a disaster risk mitigation approach as stipulated in Ordinance 379.

Task 3: Enhance Transparency Mechanisms and Citizen Participation

Over the course of the FY4-2016 reporting period, USAID's ProDecentralization program contributed to improving mechanisms for transparency and citizen participation within the framework of open government and as part of national policies to modernize public administration at both the national, as well as the sub-national levels. Within this framework, the Program:

- ✓ Supported the Office of the Comptroller General (CGR in Spanish) for effective fulfillment of its control responsibilities during the transition process to a new administration. Participated in the process to draft preventive guidelines to transfer authority in national government agencies as approved in the Comptroller Resolution 088-2016-CG published on March 18, 2016 in *E/Peruano* official gazette:
- ✓ Strengthened capacities among the decentralized teams of the Ombudsman Office, in Ucayali, San Martín and Madre de Dios, to supervise the use of transparency murals.
- ✓ Worked with the General Office for Transparency, Public Ethics and Anticorruption (OTEPA) at the Ministry of Education (MINEDU) to strengthen its capacity to ensure full compliance with transparency and public ethics obligations.
- ✓ Worked closely with PCM/SGP to strengthen its regulatory authority for open government: establish six teams of trainers on Open Government: three comprised of public servants and three made up of civil society organizations in Loreto, Ucayali and San Martín; the training teams replicated the training program for open government and reached a total of 110 officials and 145 social leaders; ProDecentralization directly trained 142 officials from governments in Amazonia on Open Government.

- ✓ As part of a “Development Challenge” competition organized by the National Civil Service Authority (SERVIR in Spanish) with support from the CADESAN/GIZ project,⁴ , PCM/SGP was awarded first prize in its category to strengthen capacity on Open Government within regional and local governments (Category B: Good Practices in Managing Training Programs). The training program was prepared with ProDecentralization technical assistance.

With regard to the promotion of citizen oversight:

- ✓ 30 oversight teams with a combined total of 151 members in five departments of Amazonia have strengthened their capacities in the following areas:
 - Prepared and trained to present results from oversight activities to officials and authorities from GGD member governments.
 - Communicated on overseeing public services.
 - Drafted and validated checklists for oversight activities of prioritized services (CRED, education material distribution and teacher hiring).
 - Conducted training workshops with women leaders on the oversight teams on leadership and skills required to advocate for local public policies (84 total: 24 in Ucayali, 24 in Madre de Dios, 14 in Loreto, 13 in Amazonas and nine in San Martin).
- ✓ Eight teams were officially recognized by their respective local governments.

“...I found the tool useful to increase my knowledge (...) we want to apply the tool in education, as well as for inter-culturalism”.

*Mirandith Hidalgo Dávila,
15 years of service with the District Municipality in Cunumbuqui, San Martín
Currently in the position of Secretary General*

“...it helped us to obtain a diagnostic of the local (institutional) situation, to identify evidence that supports our budget allocation for the education and disaster risk sectors”

*George López Saavedra,
Administrator Provincial Municipality
. Lamas, San Martín.*

Testimony of Local Government Official about the Institutional Capacity Diagnostic Tool.

⁴ CADESAN/GIZ, “Strengthening Capacities for Decentralization in Andean Countries,” is a regional Project funded by German cooperation and operates in Peru, Ecuador and Bolivia.

INTRODUCTION

The transition of power within the national government was the salient event in Year Four of Program implementation. As such, the Program worked during the first half of the year in the midst of an intense election campaign with two significant outcomes that will affect the next five years: 1) the election of a new Congress in April 2016, and 2) the election of the new President, after a second round in June of 2016. The campaign was polarized, very aggressive and lacking substantive debate on important policy issues.

Election results gave an overwhelming majority in Congress to the party led by presidential candidate Fujimori --*Fuerza Popular* (73 seats out of a total 130). Fujimori lost the bid for president by a narrow margin to the candidate for the party led by Pedro Pablo Kuczynski --*Peruanos por el Cambio*. President Kuczynski is now the new President, with a small contingency of his party in Congress (18 out of 130 seats). The second largest group in Congress is *Frente Amplio* – a group of leftist organizations holding 20 seats.

The Program moved quickly to engage with new authorities taking office in the Executive and the Legislative to give continuity to the initiatives supported by ProDecentralization at the national level and to reinforce progress to date and continue activities as quickly as possible. To that end, the Program joined collaborative efforts, both with the Office of the Comptroller General, as well as with PCM, to assist in the process of transition of authority and to participate in the inter-institutional alliance that promoted the series of public policy debates preceding, during and immediately following campaign season. The debates brought together an array of political actors and technical experts in public administration. Participants included individuals that were soon appointed to high-level positions, such as the current First Vice President of the Republic and Minister of Transportation and Communications, the Vice Minister of Transportation and Communications, the Secretary for Public Administration, and others.

In engaging as described above, Program technical input has been significant in promoting continuity and coordination by USAID ProDecentralization with new high-level authorities just taking office, as well as in offering an excellent opportunity for the Program to provide the Executive Branch with effective contributions. The Executive has consistently expressed interest and political will to work closely in coordination with sub-national governments.

On the other side of the equation at the sub-national level, ANGR displayed significant leadership in coordinating efforts with the new administration and with Congress – even before new authorities took office. The First Summit on Decentralization in Cusco at the end of June brought together almost all the regional governors and more than 1,000 mayors, and reflected ANGR's leadership. In addition to the President-elect and both Vice Presidents-elect participating, a number of Congressmen-elect also participated. The Summit provided an opportunity to reach a consensus to work in concert and coordination to strengthen national governance and promote development that extends to every territorial corner of Peru.

As such, the Program reports concluding in Year Four are within a favorable political context that bodes well for the sustainability of processes underway, particularly those to improve decentralized management and strengthen management tools at the central government level. Nevertheless, the structural problems plaguing public administration remain (i.e. delays in implementing public service careers, which in turn leads to high rates of personnel turnover; limited training for public officials; a need for more resources to ensure fulfillment of duties assigned to regional and local governments; weak inter-sectorial and intra-sectorial coordination; as well as poor coordination among all three levels of government, etc.).

In light of the above, the Program will look for windows of opportunity to consolidate the progress made to date to influence these structural problems. As such, political will, technical capacity and required resources are large cogs in the wheels that move forward to sustain the positive changes in public administration achieved by the USAID ProDecentralization Program.

On a final note, the Program notes increasing interest by the general public to participate in public administration. More specifically, citizens want to be involved in efforts to oversee the delivery of public

services, provide recommendations for improvement, and alert authorities to actual operational issues. Program experience in all five departments confirm the efficacy of collaborative oversight. As such, ProDecentralization plans to continue to underscore the need to institutionalize the practice so that social oversight becomes an integral part of any proposal to improve the delivery of public services.

PROGRAM RESULTS (TASKS)

I. TASK I: IMPROVE KEY POLICIES AND REFORMS

The Program continues to place efforts to promote coordination and collaboration among the three levels of government as the key focus in working with national agencies to strengthen regulatory authority, and in the case of sub-national governments, to strengthen capacity for effective decentralized management. As a result of these good practices at the sub-national level, the Program contributes to improving national policy in response to current conditions and meets the expectations of citizens, particularly in Amazonia.

The context around the 2016 national elections provided the Program an ideal opportunity to contribute to public debate on some key policies affecting the lives of individuals, e.g. the decentralization and modernization of the State, as well as improvements to education, health, gender issues, environmental concerns, conflict prevention and others.

“.....and express the sincere appreciation for assistance provided by the USAID ProDecentralization Program under your leadership, to the Secretariat for Decentralization and for the activities under our Institutional Operations Plan as required to promote the strategic themes that comprise the decentralization process under the responsibility of this Secretariat... No doubt the combination of activities we described in favor of the decentralization process is nothing more than a confirmation of the Program’s commitment to firmly establish the process of decentralization in the country as State Policy... As such, we express our satisfaction for your ongoing willingness to support the process of decentralization in this country...”

*Mariana Mendoza Fiscalini
Secretary for Decentralization, Presidency of the Council of Ministers
(Document 394-2016-PCM/SD dated May 10, 2016)*

I.1 Formulation of policy refined

The following section summarized achievements in FY4-2016

- ✓ La institucionalización The Institutional Capacity Diagnostic has been institutionalized as a management tool for subnational governments, both at the central government level as stipulated under a resolution issued by the Secretariat for Decentralization 015-2016-PCM/SD, which was published on June 1, 2016 in the *El Peruano* official gazette. See <http://www.elperuano.com.pe/NormasElperuano/2016/06/01/1386225-1.html> and http://www.pcm.gob.pe/wp-content/uploads/2016/06/RSD_015-2016-PCM-SD.pdf. This was also institutionalized at the subnational level as stipulated in the regulations below.
 - Regional Resolutions issued by three governments, i.e. Amazonas (351-2015-Gobierno Regional Amazonas/GR dated September 2, 2015), Ucayali (0795-2015-GRU-GR dated September 25, 2015) and San Martín (169-2015-GRSM/GGR dated December 4, 2015).
 - Mayoral Resolutions issued by five provincial municipalities, i.e. Condorcanqui, Amazonas (426-2015-MPC/A dated September 15, 2015), Maynas, Loreto (508-2015-GM-MPM dated October 20, 2015), Tambopata, Madre de Dios (507-2015-MPT-A dated September 30, 2015), Lamas, San Martín (0426-A-MPL-2015-15 dated November 23, 2015) and Coronel Portillo, Ucayali (456-2016-MPCP dated July 20, 2016).
 - Mayoral Resolutions issued by 15 district municipalities: Rio Santiago (178-2016-MDRS/ALC dated August 9, 2016); Belén, Amazonas (090-2016-A-MDB dated May 31, 2016); Punchana (082-2016-GM-MDP dated June 13, 2016); San Juan Bautista (282-2016-A-MDSJB dated July 15,

2016) and Fernando Lores (070-2016-A-MDFL dated February 29, 2016); in Loreto, Inambari (137-2015-MDI/ALC dated September 2, 2015) and Las Piedras (112-2015-ALC-MDLP-SG dated September 30, 2015); in Madre de Dios, Tabalosos (0549-2015-A-MDT dated November 23, 2015), Cunumbuqui (274-2015-A-MDC dated November 16, 2015), Zapatero (301-A-2015-MDZ dated November 30, 2015) and Barranquita (113-2015-MDB/A dated November 16, 2015); in San Martin; Manantay (189-2016-MDM dated June 16, 2016), Campo Verde (217-2016-MDCV dated June 22, 2016), Yarinacocha (170-2016-MDY dated July 12, 2016) and Nueva Requena (142-2016-MDNR dated July 13, 2016 in Ucayali.

The tool enables regional and local governments from all over the country to measure their capacities for planning, producing regulations, implementing and managing, promoting citizen participation and oversight and control -- as is the case among the subnational governments working with the Program.

“.....the Office for Regional and Municipal Capacity Development and Inter-governmental Coordination acknowledges the proposed instructive on “Institutional Capacity Diagnostics for Regional and Local Governments,” designed by the USAID ProDecentralization Program and tailored specifically to the decentralized management approaches and institutional capacities, as well as the specific regulations of the decentralization process of the Office. This enables decentralized public agencies themselves to self-evaluate their institutional capacities and identify institutional capacity strengthening actions to meet the needs and expectations of citizens and achieve the objectives of the decentralization and modernization of the State process...”

Resolution issued by the Secretariat for Decentralization 015-2016-PCM/SD to approve guidance on Institutional Capacity Diagnostics for Regional and Local Governments
El Peruano Official Gazette published on June 1, 2016

“.....I am the Executive Director of the Office of Human Resources for the Ucayali Regional Government. We are currently applying the Diagnostic tool on Institutional Capacity provided by the USAID ProDecentralization Program. The DRE in Ucayali is using the tool specifically to improve education services throughout much of the rural areas in the provinces of Coronel Portillo and Aguaytia... We find the tool to be practical, flexible and adaptable to various management contexts... This tool allows us to have an instant snapshot of management at a given point in time and use that diagnostic photo to design a continuous improvement plan for public management processes...”

Roberto Lopez
Executive Director, Office of Human Resources, Ucayali Regional Government
(statement provided on March 29, 2016).

- ✓ Over the last year, the Program worked with officials to systematize and disseminate two experiences in decentralized management and inter-governmental coordination, as follows:

EXPERIENCE	MEANS of DISSEMINATION
Experience on the coordination role in education played by the Provincial Municipality in Lamas, San Martin	USAID ProDecentralization Program website
Experience in distributing education materials to get the school year off to a good start in the Lamas province and the effect on increased learning	USAID ProDecentralization Program website

- ✓ The Program supported regulatory agencies in the central government to draft and validate documents to improve decentralized management. Furthermore, the Program provided assistance to have each of the documents disseminated among decentralized governments in Amazonia:

TOOLS TO IMPROVE DECENTRALIZED MANAGEMENT	PUBLIC ENTITY
1. Directive to develop results-based decentralized management for public services Itados.	PCM Secretariat for Decentralization
2. “Guidelines on decentralized education management”.	Ministry of Education
3. “Preventive Guidelines to Transfer Management among National Government Entities”. This document was created to facilitate an appropriate transfer of authority from incumbent officials to incoming authorities taking office on July 28, 2016.	Office of the Comptroller General
4. Instructive on “Institutional Capacity Diagnostic for Regional and Local Governments”. This was published and submitted to the Secretariat for Decentralization for distribution.	PCM Secretariat for Decentralization

- ✓ The Program worked to strengthen the regulatory authority in selected central government agencies as described below:
 - Promote agency participation in events to acknowledge good practices in public administration, be it by encouraging the presentation of experiences developed through Program technical assistance or by participating on a technical committee to judge the 2015 Second Annual Competition for inter-cultural good practice organized by MINCU and PCM/SGP.
 - Prize for Good Practices in Training Management, Category B for Good Practice in Managing Training Curricula awarded for designing and implementing the training program on Open Government for regional and local governments;
 - Certificate of acknowledgement for local sustainable environmental management (GALS in Spanish);
 - Certificate of acknowledgment for good practices in education management in 2016 issued to UGELs as “Top 20 in Management”.



Award Ceremony of the competition “Challenge for Development.”



2015-2016 GALS recognition to the Provincial Municipality of Tambopata and District Municipalities of Las Piedras and Inambari – Madre de Dios



Award to UGEL –Lamas for best practices in education management

- At the request of PCM/SD, drafted Guidelines to organize meetings for Regional Governors and the National Government (*GORE EJECUTIVO*).
 - Prepare the working agenda with SD and PCM/SGP to strengthen regulatory policies.
- ✓ The Program provided technical assistance to transfer central government management authority as follows:
- CGR prepared and distributed Guidelines on preventive measures when transferring management authority from central government agencies, as approved by Comptroller Resolution 088-2016-CG published on March 18, 2016 in the *El Peruano* official gazette.
 - CGR developed three technical working meetings among regulatory agencies, as follows:
 - Within the national system for public accounting and the national system for public investment (*el Sistema Nacional de Contabilidad Pública y el Sistema Nacional de Inversión Pública*);
 - Within the system for state legal defense, the national supply system (*el Sistema de Defensa Jurídica del Estado, el Sistema Nacional de Abastecimiento*), including the national archive system (*Sistema Nacional de Archivos*), and
 - With the agency supervising government procurement, the national debt system and the national treasury system (*Organismo Supervisor de las Contrataciones del Estado, el Sistema Nacional de Endudamiento y el Sistema Nacional de Tesorería*).
 - Central government agencies with regulatory authority for decentralization policy (PCM/SD), modernization of public administration (PCM/SGP) and gender and vulnerable populations (MIMP) documented achievements and challenges in 2011-2016 public administration as part of the process to transfer power to the new administration.
- ✓ The Program also strengthened efforts working with SERVIR to ensure appropriate conditions within public institutions to transition toward civil service reform, as well as to validate and tailor the tools required for the process. Results include:
- Posts and positions mapping for 19 local governments: Loreto (Maynas MP and MDs in Indiana, Mazan, Belen, Fernando Lores, Punchana and San Juan Bautista), Madre de Dios (Tambopata MP and MDs in Las Piedras and Inambari), San Martin (Lamas MP and MDs in Barranquita, Zapatero, Tabalosos and Cunumbuqui) and Ucayali (MDs in Nueva Requena, Yarinacocha, Campo Verde and Manantay).
 - Process mapping to assess positions and frequencies within ten local governments working with the Program: MDs in Campoverde, Ucayali; Fernando Lores and Belen in Loreto; Cunumbuqui, Zapatero, Barranquita and Tabalosos in San Martin; Inambari in Madre de Dios and the provincial municipalities in Lamas, San Martin and Tambopata in Madre de Dios. Once validated, the guidelines will be approved by SERVIR for application by all local governments during the transition to civil service reforms.
 - A position mapping tool for public universities was validated during the workshop, “Standardizing the names of offices, positions and duties in non-institutionalized public universities”. Authorities and representatives from 16 national universities participated in the event.
- ✓ The Program provided technical assistance to the Congressional Committees on Decentralization, Regionalization, Local Governments and Modernization of Public Administration to prepare the August 2011 to July 2016 congressional report on the decentralization process. The report is very significant in covering the five-year congressional term while transferring the legislative agenda to the newly assembled Congress:
- ✓ The Program worked to strengthen ANGR as follows:
- Develop “Guide to improve transparency in regional governments”.
 - Participate in preparing themes for the First Summit on Decentralization held in Cusco in June, as well as panelists;
 - Draft the first version of the decentralization agenda to be presented by ANGR to the President-elect and for the general public;

- Legal review of the Association’s documentation and bylaws;
- Technical briefs on a) establishing a ministry for decentralization; b) inter-agency coordination mechanisms, and c) national budget and regional investment.

“.....ANGR would like to highlight the support provided by the USAID and specifically the ProDecentralization Program, which has enabled us to assume and overcome challenges, attain objectives and reach goals. We look forward to strengthening our ties of collaboration by supporting and assisting each of our strategic action items. Firmly committed to continue to establish ties for even greater coordination, we express our appreciation to ProDecentralization for the assistance it provides to ANGR to strengthen the decentralization process and support relevant issues...”

Yuri Vilela Seminario
Technical Secretary, ANGR

(correspondence 145-2016--S/ ANGR dated August 9, 2016)

1.2 Policy Dialogue between National and Sub-National Governments and Civil Society Promoted and Strengthened

In promoting and strengthening policy dialogue, ProDecentralization positioned itself as one of the program leaders in the partnership “Public Policy Dialogue” (*Diálogos de Políticas Públicas*) and as part of the team that promoted the initiative, along with the Institute for Peruvian Studies (*Instituto de Estudios Peruanos-IEP*). The initiative gathered a total of 16 partners from the international donor community and the private sector. Program results are summarized below:

- ✓ Prepared or coordinated four out of a total of 11 public policy briefs on decentralization, health, education and social conflict management, as part of the alliance with IEP and other private organizations and the donor community to provide policy dialogue inputs during the election campaign.
- ✓ Directly promote 15 public policy dialogue events for a total of 1,565 participants (754 men and 811 women):
 - Two events in Lima on social conflict management (October 14, 2015) and public policy for decentralization (October 22, 2015).
 - Five events for journalists, “The General Elections and the Public Policy Agenda during the Campaign” in Ucayali (on February 23, 2016), in Amazonas-Chachapoyas (on March 9, 2016), in Madre de Dios (on March 9, 2016), in Loreto (on March 15, 2016) and in San Martin (on March 16, 2016).
 - Three events in Ucayali on education policy. The first on February 24, 2016 on “Here and Committed Campaign to get the 2016 School Year off to a Good Start;” the second on July 21, 2016 on “Milestones from the Experience to Improve Education Learning in Barranquita, San Martin; and the third on August 12, 2016 to discuss education management models in Piura and San Martin.
 - Two gender policy dialogue events in Amazonas: “Committed to leadership, participation and financial autonomy for women” in Rio Santiago, Amazonas on March 8, 2016; and a dialogue on March 10, 2016 in Chachapoyas among political parties during the 2016 elections on, “Viable Public Policies for the Amazon region and Legislative Proposals.”
 - One event in Loreto on March 30, 2016 on policies and consensus for equality and to defend human rights, indigenous peoples, persons with disabilities, the environment, youth and LGTBIQ individuals.

- One event in Tambopata, Madre de Dios on May 25, 2016 organized by the Provincial Municipality on “Development Plans: Perspectives and Commitments to Encourage Continuous Collaboration with People.”
 - One event in San Martin to discuss milestones in education policy to improve learning in Barranquita, San Martin on August 18, 2016.
- ✓ As a result of the public events, media coverage throughout Amazonia included 58 mentions of the policy briefs as prioritized by the ProDecentralization Program.

MEDIA COVERAGE OF POLICY BRIEFS IN ALL FIVE DEPARTMENTS				
DEPARTMENT	DEPARTMENT	DEPARTMENT	DEPARTMENT	DEPARTMENT
AMAZONAS	3	7	0	2
LORETO	4	6	1	0
MADRE DE DIOS	4	7	0	0
SAN MARTÍN	4	6	1	2
UCAYALI	4	6	1	0
Total	19	32	3	4

The process to prepare the “2016 Annual Report on Decentralization” proved a significant opportunity to promote and strengthen policy dialogue over the course of the year. Keeping in mind that much of the debate took place in the context of national elections, discussions focused on decentralization reform and links to other necessary reforms to ensure that decentralization is effective. As is shown in the table below, the recommendations from the report were presented at a public event in Lima as well as at the decentralized level:

LOCATION	TOTAL PARTICIPANTS
Lima organized together with SERVIR	69
Cusco event organized by ANGR	60
Pucallpa, Ucayali	39
Puerto Maldonado, Madre de Dios	34
Chachapoyas, Amazonas	27
Moyobamba, San Martin	22
TOTAL	251

- ✓ As a result of Program coordination efforts the *El Peruano* official gazette published for the third consecutive year a special supplement dedicated to the conclusions of the Annual Report on Decentralization as of January 2016. The supplement also included op-ed pieces by five renowned specialists. The supplement JURIDICA was distributed nationwide, particularly to public sector institutions and to decision makers.
- ✓ Given that incoming officials in the new administration showed particular interest in the Report, as did Congress and regional and local actors, the PCM Secretariat for Decentralization asked the Program to develop the report in the future as a joint effort with a team from PCM/SD to accompany the annual report that PCM/SD likewise submits to Congress on the status of decentralization in Peru. To that end, ProDecentralization plans to transfer the methodology used to prepare the reports to the Executive and therefore ensure the sustainability of the Program’s successful initiative.

1.3 Clear guidelines to implement policies approved and disseminated

As part of the Program's efforts to work in close coordination with regulatory agencies in the central government, ProDecentralization assisted the development of user-friendly versions of key policies and tools to improve decentralized management by sub-national governments. The tools were disseminated by each of the respective agencies, as well as by the Program, as follows:

FRIENDLY VERSIONS	PUBLIC ENTITY
1. Institutional Capacity: a new approach toward institutional strengthening for decentralized management (working document) approved under Ministerial Resolution 006-2016-PCM.	PCM/SD
2. Guidance on results-based decentralized management of public services as approved under Ministerial Resolution 014-2016-PCM, published on January 24, 2016 in the <i>El Peruano</i> official gazette.	PCM/SD
3. Guidelines for the matrix on decentralized management and the experience of inter-agency coordination within the Ministry of Education as approved by Ministerial Resolution 195-2015 - MINEDU	Ministry of Education
4. Guidelines on decentralized education management as approved by Resolution from the General Secretariat 938-2015-MINEDU	Ministry of Education
5. Brochure on instructions for the Institutional Capacity Diagnostic for regional and local governments as approved by Resolution from the Secretariat for Decentralization (015-2016-PCM/SD).	PCM/SD

2. TASK 2: STRENGTHEN DECENTRALIZED SUBNATIONAL INSTITUTIONS IN TARGET REGIONS

The Program has continued in FY4-2016 to tailor efforts with regional and local GGD member governments and focus primarily on strengthened capacity for effective coordination among all three levels of government, improved compliance with the five broad functions as stipulated in regulations and improved quality in delivering public services:

To that end, the Program worked with four regional governments, five provincial municipalities, 27 district municipalities (17 of them as members of GGDs and ten districts into which the Program is expanding regional education models in San Martin). In a parallel effort, the Program works with the Regional Department of Education in San Martin and its ten Local Education Management Units (UGELS in Spanish), as well as with the Regional Department of Education in Ucayali and the UGEL in Coronel Portillo.

REGIONAL GOVERNMENT	LOCAL GOVERNMENTS		SERVICES
	PROVINCIAL	DISTRITAL	
AMAZONAS REGIONAL GOVERNMENT	Condorcanqui MP	1. Rio Santiago ⁵ MD	1. Growth and Development Monitoring for Children under Five (CRED in Spanish) 2. Prenatal Care (APN in Spanish)
LORETO REGIONAL GOVERNMENT	Maynas MP	1. Mazan MD 2. Belen MD 3. Punchana MD 4. San Juan Bautista MD 5. Indiana MD 6. Fernando Lores MD	1. Growth and Development Monitoring for Children under Five (CRED in Spanish)
MADRE DE DIOS ⁶	Tambopata MP	1. Inambari MD 2. Las Piedras MD	1. Solid waste collection 2. Environmental education
SAN MARTIN REGIONAL GOVERNMENT	Lamas MP	1. Tabalosos MD 2. Cunumbuqui MD 3. Zapatero MD 4. Barranquita MD	1. Education materials and resource distribution 2. Teacher training
		1. Nueva Cajamarca (Rioja) district 2. Yantalo (Moyobamba) district 3. Agua Blanca (El Dorado) district 4. Alberto Leveau (San Martin) district 5. Cacatachi (San Martin) district 6. Buenos Aires (Picota) district 7. Alto Saposoa (Huallaga) district 8. Pachiza (Mariscal Caceres) district 9. Bajo Biavo (Bellavista) district 10. Nuevo Progreso (Tocache) district	Support expansion of the regional education management model in San Martin (districts/UGELS selected for pilot by DRE in San Martin ⁷)
UCAYALI REGIONAL GOVERNMENT	Coronel Portillo MP	1. Campo Verde MD 2. Manantay MD 3. Nueva Requena MD 4. Yarinacocha MD	1. Solid waste collection 2. Environmental education
			Support education management in Ucayali: distribute education materials and resources (DRE and UGEL in Coronel Portillo).
4	5	27	

The changes in administrations at the sub-national level that took place in December 2015 and following the 2016 national elections set the stage to engage with incoming officials in support of a smooth and efficient transition of power, while simultaneously laying the groundwork for future sustainability of initiatives with each of the decentralized governments.

⁵ In the case of the District Municipality El Cenepa, Amazonas, it was not possible to develop activities with this entity due to lack of interest of its authorities and the critical problem of accessibility to the community where the Municipality was relocated.

⁶ As described in earlier reports, the Regional Government in Madre de Dios and the Laberinto MD expressed their decision to refuse assistance from the international donor community, especially from USAID.

⁷ DRE initially selected a total of 13 districts, excluding Pajarillo, Cunumbuqui and Barranquita; while Cunumbuqui and Barranquita are considered members of the Lamas GGD, Pajarillo progressed very quickly and was removed by DRE from the pilot group.

2.1 Public administration capabilities strengthened

Program highlights to report from FY4-2016 include the following:

- ✓ Institutionalizing the Institutional Capacity Diagnostic⁸ (FOCAS) nationwide as reported under Result 1 among most of the 26 decentralized governments⁹ that comprise the GGDs. As a result:
 - 100% of decentralized governments (26) appointed technical teams or at least one official with responsibility for applying the FOCAS tool. Similarly, 100% of the public servants on those teams are well versed in the tool, acknowledge its importance to fulfill their duties and have applied it to the prioritized services in their respective regions.
 - Three regional governments (Ucayali, San Martin and Amazonas), five provincial municipalities and 15 district municipalities issued resolutions specifying the use of the Institutional Capacity Diagnostic as a monitoring tool and approved its application.
 - 100% of the municipalities that were GGD member governments in 2015 in Loreto and San Martin (four local governments: Indiana, Fernando Lores and San Juan Bautista in Loreto, and Barranquita in San Martin) received comparative data (2015 and 2016) to track progress in fulfilling their duties.
 - 100% of decentralized governments that comprise the first five GGDs (22) have comparative data (2013, 2014, 2015 and 2016) to track progress in fulfilling their duties.
- ✓ Scores on the Institutional Capacity Index (ICI) improved in comparison to those from 2015^[1] for all 26 decentralized GGD member governments, as highlighted below:
 - 100% of GGD member governments improved their average ICI scores: San Martin increased by 37.4%, Amazonas by 15%, Madre de Dios by 7.6%, Ucayali by 8.6% and Loreto by 3.9%.
 - 92% of the governments (24 over 26) improved their ICI scores for operational and strategic planning; those most improved include local governments in Cunumbuqui (106%) and Tabalosos (117%), in San Martin. Nevertheless, some governments had lower scores: the regional governments in Amazonas (-2,3%) and Loreto (-11.9%), as well as the provincial municipality in Coronel Portillo (-3-7%).
 - 92% of the governments (24 over 26) improved their regulatory performance, most notably the provincial municipality in Lamas (118.9%) and the MDs in Cunumbuqui and Tabalosos in San Martin. Nevertheless, two governments slipped: Punchana (-17%) in Loreto and Coronel Portillo (-0.6%) in Ucayali.
 - 92% (24 over 26) of the governments improved their performance to promote citizen participation, particularly the regional government in San Martin (78.8%) and the MD in Indiana (40%). Two governments, however, slipped: the regional government and the MD in Mazan (0.2%) in Loreto.
 - 77% of the governments (20 over 26) improved performance in management and implementation, with the exception of the Amazonas Regional Government (-0.8%), the MP in

⁸ Strengthening institutional capacity of decentralized government officials to comply effectively with the five functions assigned to all public agencies: planning, regulation, executive / administrative, promotion of citizen participation, and oversight and control.

⁹ Four regional, five provincial and 17 district governments.

[1] Percentage variations on average for 2015-2016 for each GGD, as follows:

Amazonas (average: 15%): Regional Government, 0.8%; MP in Condorcanqui, 21%; MD in Rio Santiago, 7.7%.

Loreto (average: 3.9%): Regional Government, 2%; MP in Maynas, 8.3%; MD in Punchana, 1.4%; MD in Belen, 15-6%; MD in Mazan, -5.1%, Fernando Lores 54.6%, Indicana 47%, San Juan Bautista 13.3%.

Madre de Dios (average: 7.6%): MP in Tambopata, 4.3%; MD in Inambari, 14.1%; and MD in Las Piedras, 5-6%.

San Martin (average: 31.8%): Regional Government, 26.4%; MP in Lamas, 35.8%; MD in Zapatero, 23.8%; MD in Tabalosos, 66.3%; and MD in Cunumbuqui, 67.4% and Barranquita 25.6%.

Ucayali (average: 8.6%): Regional Government, 2.7%; MP in Coronel Portillo, 1.5%; MD in Campo Verde, 17.5%; MD in Yarinacocha, 7.1%; MD in Nueva Requena, 9.8%; and MD in Manantay, 17.8%.

Coronel Portillo (-1.1%) and the MDs in Mazan (-14.4%) and San Juan Bautista (1%) in Loreto, as well as Zapatero (-7.6%) in San Martin and Inambari (-1.9%) in Madre de Dios.

- 96% of the governments (25 over 26) improved compliance with control and oversight functions, especially the MDs in Tabalosos (42.9%) and Barranquita (47.8%) in San Martin plus Fernando Lores (73.9%) in Loreto; although the MD in Mazan, Loreto slipped (-3.4%).
- ✓ In terms of strategic and operational planning, the Program reports governments working in compliance with the guidance issued by the relevant regulatory authority (CEPLAN) and improvements in delivering services as illustrated below:
 - The Provincial Municipality in Tambopata started the process to develop a Comprehensive Development Plan.
 - Twelve GGD member governments completed or updated their Institutional Strategic Plans (PEIs in Spanish), which will guide their implementation over the next three years: a) Amazonas: regional government, MP in Condorcanqui and MD in Rio Santiago; b) Loreto: MD in Fernando Lores, San Juan Bautista and Punchana, c) San Martin: MP in Lamas and the MDs in Cunumbuqui, Zapatero, Tabalosos and Barranquita, and d) Ucayali: the MP in Coronel Portillo.
 - Twelve subnational governments produced Development Plans for People (PDPs) (three) and Capacity Development Plans (PDCs) (nine), as follows: a) Amazonas: regional government and the MP in Condorcanqui (PDC); b) San Martin: MP in Lamas and the MDs in Cunumbuqui, Zapatero, Tabalosos and Barranquita, and c) Ucayali: the regional government (five year and one year PDPs) and the MDs in Yarinacocha, Campo Verde, Manantay and Nueva Requena.
 - 81% (26) of decentralized governments completed their results-based 2016 Institutional Operational Plans (POIs in Spanish).
 - 20 of the 26 decentralized governments implemented specific activities to improve prioritized services as part of their 2016 POIs.
 - Three municipalities in Madre de Dios, the MP in Tambopata and the MDs in Inambari and Las Piedras, completed studies on classifying solid waste (in compliance with target, 36 of the Municipal Incentives Plan to safely dispose of municipal solid waste) and subsequently approved plans for waste separation at the source and selective collection.
- ✓ In regard to producing regulations, Program technical assistance yielded results as summarized below:
 - Following training workshops to reinforce training programs for regional or municipal council members, 20 regional council members (Amazonas: 05; Madre de Dios: 06 and San Martin: 09) together with 56 municipal council members (Amazonas: 08; Loreto: 10; Madre de Dios: 07; San Martin: 18, and Ucayali: 13) strengthened their capacity for oversight and communications.
 - 22 subnational governments approved their 2016 POIs through mayoral resolutions; 08 decentralized governments approved their PEIs through mayoral resolutions, and 01 governments approved their PDPs through executive regional resolutions, while 06 governments issued mayoral resolutions to approve their PDCs.
 - Governments approved a total of 15 regional and local regulations pertaining directly to improving selected services as follows:
 - **Environment:** a) design programs to separate waste at the source and selectively collect solid waste (MDs in Inambari and Las Piedras); b) approve two environmental agendas (MP in Tambopata and MD in Inambari); c) six ordinances to collect fees and ensure financial sustainability of public sanitation services (MP in Tambopata and MDs in Inambari and Las Piedras in Madre de Dios, together with the MP in Coronel Portillo and the MDs in Yarinacocha and Manantay in Ucayali). In a similar effort, the MP in Tambopata approved district ordinances to ratify ordinances pertaining to fees.
 - **Health:** a) ordinance to prioritize the fight against chronic child malnutrition and anemia (MP in Condorcanqui).

- **Education:** a) directive on guidelines to strengthen student learning, including instructions to implement local education management, and b) resolution to officially establish the new Modernization Commission within DRE (San Martin Regional Government).
- **Gender:** a) ordinance to place a high priority on eradicating sexual abuse against adolescents in the region with policy guidance for implementation (MD in Rio Santiago, Amazonas), and b) ordinance on the use of inclusive language in every area and process covered by the Regional Government in San Martin.
- **Inter-culturalism:** a) ordinance against racism and discrimination in all shapes and forms within the district (MD in Nueva Requena, Ucayali).
- ✓ In working on management and implementation, the five GGD member governments strengthened their capacity to improve quality in public investment and government procurement, as follows:
 - Six files documenting compliance with the goals of the Municipal Incentives Plan for a) Goal 36 on final disposal of residential solid waste by the MDs in Campo Verde, Ucayali and Las Piedras and Inambari in Madre de Dios and b) Goal 6 on a waste classification plan for a percentage of urban homes by the MP in Coronel Portillo and the MDs in Yarinacocha and Manantay in Ucayali.
 - Submitting nine funding requests (amounting to PS \$1,871,486.06 or approximately US \$560,000) to FONIE for pre-investment and technical studies for water and sanitation projects by the municipality in Rio Santiago).
 - One pre-investment study to expand and improve solid waste collection services submitted by the MD in Las Piedras to MINAM/CAF.
- A total of 10 authorities and 113 officials participated in internships organized by the Program, as follows:
 - **CREC and APN Services** (two exchange internships)
 - ✚ Promote improved CREC services: health teams from Amazonas strengthened capacity as a result of the exchange internship experience with health teams in Loreto (April) among a total of 41 public servants (15 men and 26 women), of which 31 represented DIRESA in Loreto and ten from DIRESA in Amazonas.
 - ✚ Verify commitments to improve CREC services: health teams from Amazonas and Loreto strengthened capacity following the exchange internship experience with health teams in Amazonas (August) with 26 participants (17 women and nine men/eleven representing Loreto and 15 from Amazonas).
 - **Integrated Solid Waste Management:** Internship initiative on “successful experiences in treating solid waste in Lima and Concepcion (Junin),” took place in September among 26 public servants (seven authorities and 19 officials/four women and 22 men) from the following governments: Tambopata MP and MDs in Inambari and Las Piedras in Madre de Dios together with the Ucayali Regional Government, Provincial Municipality in Coronel Portillo and the MDs Manantay, Yarinacocha, Campo Verde and Nueva Requena in Ucayali. Participants visited MINAM and observed successes by the Provincial Municipality in Concepcion and the MDs in Santiago de Surco and San Borja.
 - **Education Management:** Internship initiative to exchange and share successful experience in Lima and Piura in September with the participation of 30 public servants (03 authorities and 27 officials/13 women and 17 men) from governments in San Martin and Ucayali. Lima provided an opportunity to observe improvements implemented by UGEL 1 in San Juan de Miraflores and the monitoring system implemented by the Regional Department of Education in Lima and MINEDU (SIMON). While in Piura, participants observed the education management model in place at two UGELs (Buenos Aires and La Matanza).
- ✓ The Program provided technical assistance to seven sub-national governments which were subsequently acknowledged for their good practices in public administration: a) two municipalities were given the “*Municipal Seal*” by MIDIS (the MD in Rio Santiago and the MP in Condorcanqui); b) the Lamas UGEL received recognition by the Ucayali Regional Government as one of the 2016

Management Top 20 for good practices in education management awarded by MINEDU, and c) four municipalities were awarded the Local Sustainable Environmental Management Prize (GALS 2015 – 2016) by MINAM (Provincial Municipality in Tambopata and the MDs in Las Piedras and Inambari in Madre de Dios and the Provincial Municipality in Coronel Portillo, Ucayali).

2.2 Modernization of public administrative systems and policies at sub-national levels improved.

- ✓ The Program provided a certification course (*Diplomado*), “Coordinated public administration for sustainable development in Loreto within the context of climate change and disaster risk management,” in a joint effort with the Ministry of Economy and Finance, the National University for the Peruvian Amazon (UNAP), UNDP and UNICEF. A total of 41 persons completed the course, from them 29 officials (17 officials from the Loreto Regional Government, five from the Maynas Provincial Municipality and seven from the GGD district municipalities).
- ✓ The Program strengthened capacity among 718 public servants (475 men and 243 women) as to public procurement and contracting following their participation in a seminar on new regulations in effect. Participants included officials from Amazonas, Madre de Dios, Loreto, San Martin and Ucayali.
- ✓ Sub-national governments are now better prepared to transition toward civil service because of the following: a) completed posts and positions mapping for 19 local governments¹⁰ and process mapping that included estimated positions and frequencies for ten local governments working with ProDecentralization,¹¹ and b) a new commission on modernization in place at the Regional Department of Education in San Martin as authorized in Resolution 1596-2016-GRSM/DRESM dated June 7. The Commission completed proposals on process inventories to be validated (and aligned with MINEDU regulations), temporary CAP and organization structure for DRE (aligned with MINEDU and SERVIR guidance).
- ✓ Five of the water and sanitation projects with FONIE funding completed technical pre-investment studies in 2015: three by the MD in El Cenepa are completed and approved and the other two for the Amazonas Regional Government have completed pre-investment studies.
- ✓ Disseminate regulatory instruments on decentralized management in coordination with the PCM/SD and the Canadian government ProGovernance Project, as follows: a) “Directive to develop results-based decentralized management for public services”, and b) a document entitled, “Institutional Capacity and Developing a New Approach to Strengthen Institutions for Decentralized Management”. A total of 159 officials from Amazonas, Loreto, Madre de Dios, San Martin and Ucayali participated.

2.3 Integration of Sectors within Sub-National Governments Achieved.

- ✓ The structure for inter-governmental coordination is the Decentralized Management Group (GGD in Spanish) to improve services. GGDs have remained steady or intensified over the period. The GGD for Amazonas met twice this year, the GGD in Loreto met three times, the Madre de Dios GGD met four times, with three in San Martin and two in Ucayali. Each of the meetings produced agreements and specific commitments to improve services.
- ✓ Some activities have been institutionalized to improve the quality of services delivered. For example:

¹⁰ Loreto (MP in Maynas and MDs in Indiana, Mazan, Belen, Fernando Lores, Punchana and San Juan Bautista), Madre de Dios (MP in Tambopata and MDs in Las Piedras and Inambari), San Martin (MP in Lamas and MDs in Barranquita, Zapatero, Tabalosos and Cunumbuqui) and Ucayali (MDs in Nueva Requena, Yarinacocha, Campo Verde and Manantay).

¹¹ MDs in Campoverde, Ucayali; Fernando Lores and Belen in Loreto; Cunumbuqui, Zapatero, Barranquita and Tabalosos in San Martin; Inambari in Madre de Dios and Provincial Municipalities in Lamas, San Martin and Tambopata in Madre de Dios.

- 100% of health centers in Loreto (seven) completed and officially approved CRED improvement projects or plans. 100% of health centers in Amazonas (four) completed a CRED improvement plan and approved APN plans to improve services.
- 100% of health centers in Loreto (seven) and in Amazonas (four) officially appointed members of the Improvement Teams heretofore responsible for implementing their respective plans or projects.
- GGD member governments in Ucayali and Madre de Dios included improved sanitation service as part of the institutional operational plans: 80% of governments in Ucayali (four out of five, including the MP in Coronel Portillo and the MDs in Yarinacocha, Manantay and Nueva Requena) and 100% of the governments in Madre de Dios (three out of three: the MP in Tambopata and the MDs in Inambari and Las Piedras).
- 100% of the GGD member governments in Madre de Dios (Tambopata, Inambari and Las Piedras) updated their service improvement plans for public sanitation including specific activities for improvements using a process-based approach.

Health: CRED and APN Services:

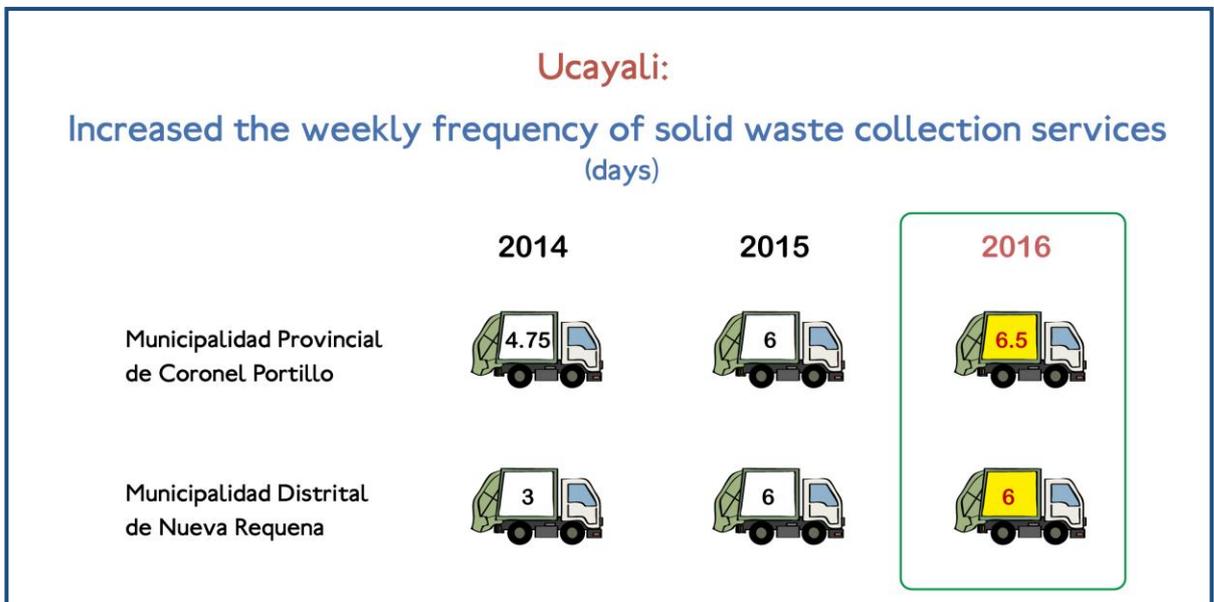
- ✓ Health officials worked to review, classify and systematize patient historical clinical files (HCs in Spanish) as follows: **Loreto**: 100% completed in six out of seven health centers – the only exception being in 06 de Octubre with delays due to personnel turnover; **Amazonas**: all four health centers completed the process for 100% of the HCs.
 - 100% of health centers in Loreto (seven) and Amazonas (four) improved signage and used information and appointment boards on CRED and APN (only Amazonas) services.
 - Wait times for outpatients have improved from 2015 to 2016. In Loreto, six of the seven health services working with the Program reduced wait times for CRED services (Bellavista Nanay by two minutes, Moronacocha cut wait time by four minutes, San Juan Bautista by four minutes, Indiana by two hours and 34 minutes, Mazan by one hour and three minutes and Tamshiyacu by one hour and 25 minutes). Similar tendencies can be observed in Amazonas with reduced wait times reported at four health centers (Nieva by 9.5 minutes, Kigkis by seven minutes, Galilea by 8.5 minutes and Huampami by seven minutes).



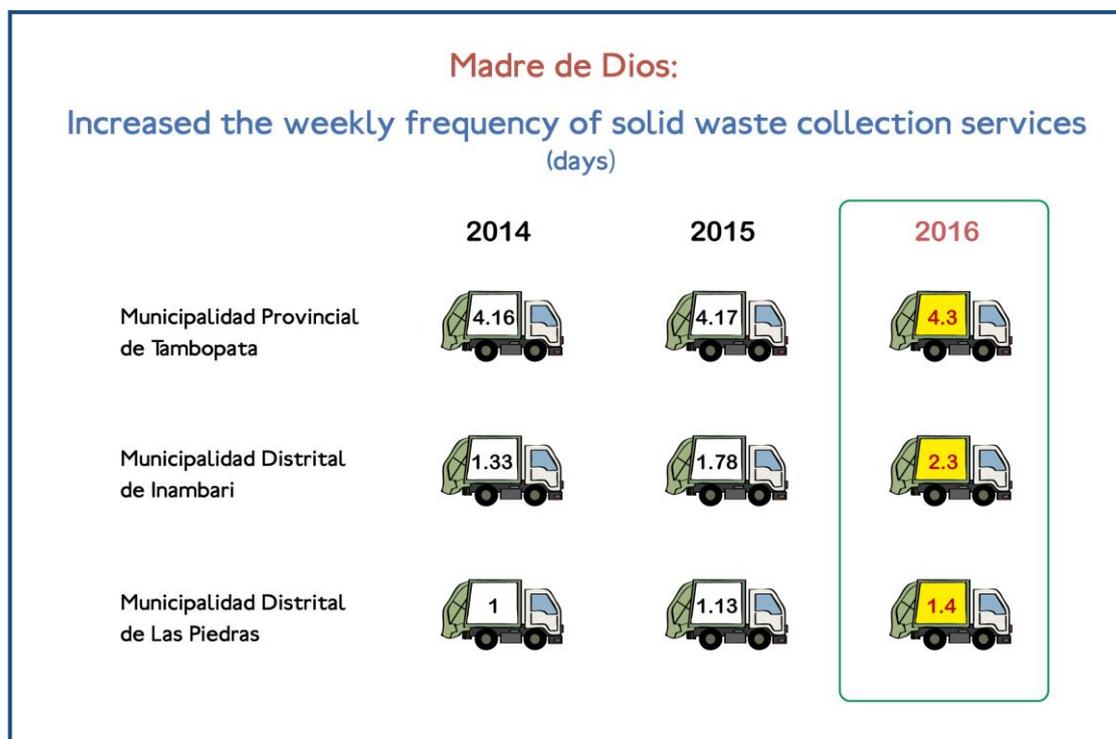


Environmental Management: Public Sanitation and Environmental Education:

- ✓ Increased frequency of weekly public sanitation services:
 - **Ucayali:** The Coronel Portillo MP increased from an average of six times in 2015 to 6.5 per week in 2016. The MD in Yarinacocha increased from four to five times per week in 2016. Other municipalities maintained the same frequency as in 2015, i.e. Campo Verde at three times a week and Nueva Requena at six times a week.



- **Madre de Dios:** The Tambopata Provincial Municipality provided service on average 4.3 times per week in most areas. Inambari increased from 1.78 times a week in 2015 to 2.3 times a week in 2016 and Las Piedras increase services at 1.4 times per week in 2016.

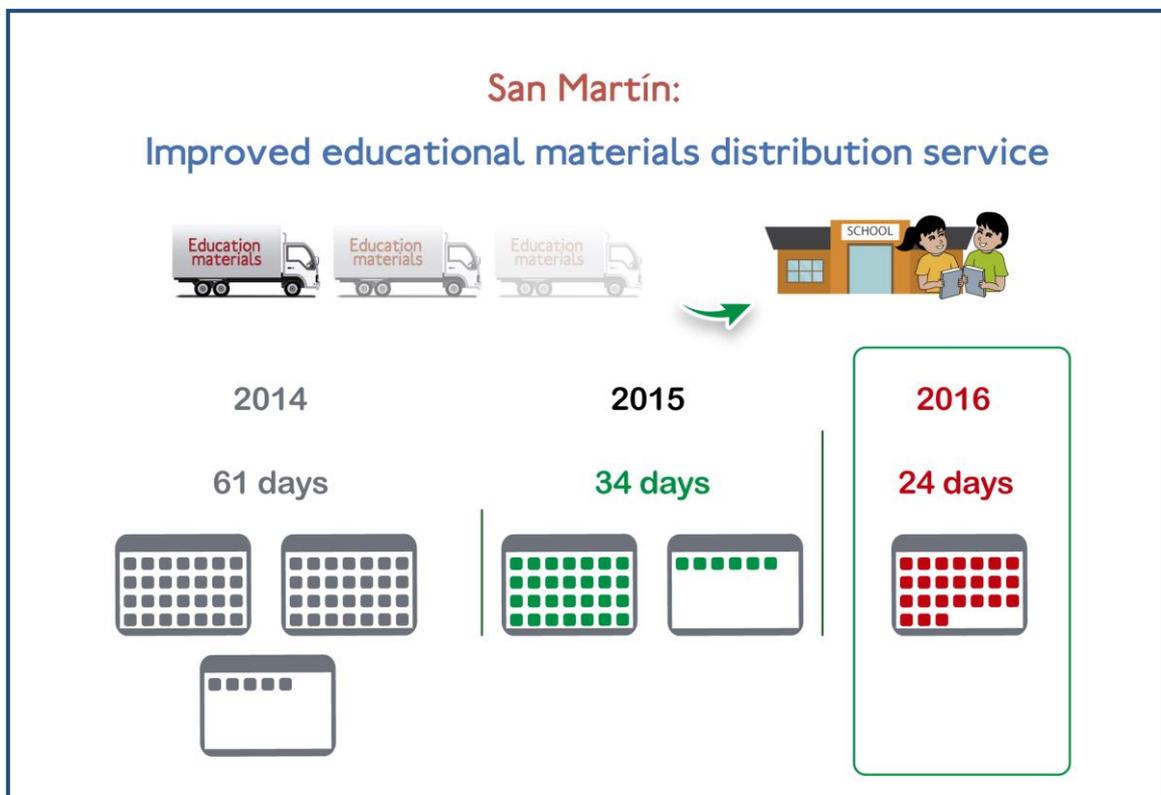


- ✓ Efforts to improve environmental education led to increased awareness among 2,110 individuals in Madre de Dios, including authorities, officials, teachers and the general public, as summarized below:
 - A public forum entitled, “Successful Experience in Environmental Education,” took place in November 2015 with 84 participants, organized in coordination with MINAM and the Council for Environmental Education Programs (COPRODEAM in Spanish).
 - Environmental education campaign from July through September to raise the awareness of 1,938 individuals, as follows).
 - 1,491 students, including pre-school (396 boys and 444 girls) and primary students (268 boys and 383 girls);
 - 239 secondary students (122 boys and 117 girls);
 - 88 business owners (21 men and 67 women);
 - 60 principals and teachers from preschool, primary and secondary levels (eight men and 52 women), and
 - 60 members of community organizations (20 men and 40 women)
- ✓ Progress in Ucayali on environmental education is summarized as follows:
 - 20,000 residents are aware of public sanitation issues and the need to deposit solid waste in appropriate bins or bags provided by their local governments.
 - 50 tons of waste collected during the San Juan Festival (20 tons in the days leading up to the event and 30 tons on June 24-25).
 - 142 volunteers joined in to raise awareness.

- 50 schools and three associations (University Environmental Network, MAI, METSA and the association to restrict littering) committed to achieving results.
 - In coordination with OEFA, ARAU and DREU, 113 students (72 girls and 42 boys) from schools in Coronel Portillo strengthened their capacity regarding environmental issues by participating in a workshop for Ecoclubs.
 - The Program provided technical assistance to set up 12 Ecoclubs at schools in Coronel Portillo to promote environmental education.
- ✓ User satisfaction increased in regard to the delivery of public services as summarized below:
- **Ucayali:** increased user satisfaction in regard to personnel, particularly in Coronel Portillo (increased from 29.8% in 2013 to 60.8% in 2016) and Manantay (50 % increase).
 - **Madre de Dios:** User satisfaction increased in 2016:
 - Users expressed satisfaction with public sanitation services in the Tambopata MP (74%) as well as in the district municipality of Inambari (95%). User satisfaction in Las Piedras MD was only 43% this period, but this is a significant accomplishment nonetheless considering that results in 2014 were at 6% user satisfaction.
 - Increased user satisfaction this period in regard to environmental education among the GGD governments from 40% in 2015 to 65% in 2016

Education: Education Material Distribution and Teacher Hiring in Lamas, San Martin:

- ✓ Effectively reduced distribution times from 81 days in 2013 to 24 days in 2016. This accomplishment can be attributed to more expedient procurement processes, faster submission by schools as to their requirements based on enrollment lists, better planning, more expedient terms of reference to outsource services and contract transportation companies to distribute education materials.



- ✓ Working with the PUCP Sociology Department in the School of Social Sciences, the Program completed a diagnostic on applying the decentralized management matrix for education material and resource distribution and end users. Local and regional authorities in San Martin and MINEDU reviewed the findings.
- ✓ Local governments are no longer responsible for teacher hiring. The Regional Government in San Martin filled 100% of teaching positions. Local governments in Lamas now allocate resources to fill other needs for improving education services.
- ✓ Increased citizen satisfaction in regard to public services as follows:
 - 82% user satisfaction with timely delivery of education material.
 - User satisfaction in 2016 regarding teacher hiring fell in 2016 to 79%, compared to 87% in 2015. The drop can be attributed to low test results at the Lamas UGEL in 2015 where only 30% of second graders scored satisfactorily in reading comprehension (27.1%) and math (16.3%). Nevertheless, surveys revealed high satisfaction among school principals in regard to teacher positions filled in the region and the Regional Governments having assumed responsibility to improve hiring (timely scheduling, increased funding).

2.4 Capacity to Effectively Manage and Respond to Conflict and Natural Disasters.

Manage and Respond to Conflict

- ✓ The Program strengthened regulatory authority within the PCM National Office on Dialogue and Sustainability (ONDS in Spanish) by providing technical assistance to a) draft an inter-sectoral protocol to prevent and manage social conflict and b) providing methodologies to develop training workshops on dialogue and conflict prevention for representatives from civil society.
- ✓ In close cooperation with PCM/ONDS, the Program organized and completed a training program on dialogue and conflict prevention to strengthen capacity among 36 public servants from the Ucayali Regional Government (19 women and 17 men).
- ✓ The Program provided technical assistance to strengthen the Regional Offices on Dialogue and Social Conflict Management in Ucayali, San Martin, Loreto and Amazonas, and also worked with the Regional Governments in Amazonas and Ucayali to establish their offices. The government in Ucayali did so in August by issuing Regional Ordinance 010-2016-GRU-CR. Similarly, the one in San Martin completed the 2016 Work Plan and the one in Loreto worked to strengthen capacity.

Natural Disasters

- ✓ Governments approved four instruments to mitigate disaster risks: a) three contingency plans in preparation for heavy precipitation in 2015-2016 and the effects of the El Niño weather phenomena –Amazonas issued Regional Resolution 539-2015-GRA-GR, Ucayali issued Regional Resolution 060-2016-GRU-GR and San Martin issued Regional Ordinance 001-2016-GRSM/CR and b) the Amazonas Comprehensive Regional Development Plan which includes a disaster risk mitigation approach as stipulated in Ordinance 379.

2.5 Expanding Local Education Management in San Martin.

- ✓ The Program supported the implementation strategy for local education management by developing three key processes as follows:
 - Local education management teams in Tocache, Mariscal Caceres, Huallaga, Bellavista, Picota, San Martin, Lamas, El Dorado, Moyobamba and Rioja:

- Satisfactorily fulfilled their 2015 performance commitments: a) ten UGELs met the indicator target on teacher presence in the classroom; b) two UGELs (Bellavista and El Dorado) met 100% of all targets for performance commitments under 2015 indicators i.e. principals in office, teacher presence in classrooms and consistent student attendance, and c) nine UGELs met the indicator target for principals on the job at schools.
- 100% of the management teams: a) use their annual work plans to improve learning in 2016 (total of 97 specialists – 38 women and 59 men) and b) the organizational plan for the APAFA provincial association is completed.
- A total of 232 (131 men and 101 women) officials have strengthened capacity as specialists in education and learning per guidance stipulated in Regulations 004 – 2016 – GRSM/DRESM/DGP “Specific Instructions to Implement Guidelines and Strategies for Managing Learning in the San Martín region – 2016,” and Action Item 6 to, “ensure participation mechanisms to improve UGEL delivery of services”.
- Democratization of participatory processes:
 - The Program accomplished that a) five UGEL education networks (Lamas, Zapatero, Pinto Recodo, Rumisapa and Barranquita) be held accountable to civil society in each of the districts for 2015 PATMA implementation, and b) 21 UGEL education networks (in Lamas, Tocache, Huallaga, Moyobamba Rioja, San Martín and Mariscal Cáceres) included activities to support and monitor learning in their respective POIs and nine UGELs (Tocache, Huallaga, Moyobamba, Rioja, San Martín, Mariscal Cáceres, El Dorado, Picota and Bellavista) set up deadlines by which to reinstate their respective education networks.
- Strengthened management instruments:
 - The respective Local Management Committees for Social Development (CGLDS) were reinstated in selected areas (Alto Saposoa, Nuevo Progreso, Bajo Biavo and Pachiza).
 - 100% of CGLDSs in the prioritized areas completed their 2016 Coordination Plans with specific activities to improve conditions for education and stating shared responsibilities among committee members (representatives from health, Qali Warma, education, women, local governments and others).
 - Five COPALEs were reinstated in Tocache, Picota, Bellavista, Mariscal Cáceres and Rioja, while the remaining five (Lamas, San Martín, Moyobamba, Huallaga and El Dorado) are in the process of doing so.

2.6 Expand education services in Ucayali.

The Program reports significant progress this year as follows:

- ✓ Modernization and decentralization of education management: the Ucayali DRE is in possession of diagnostics, evaluations and proposed recommendations for regional education management. There are two diagnostics (on Ucayali regional education management and the process to distribute education material and resources in Coronel Portillo), one evaluation of the Medium-Term Education PMP, one proposed methodology to update the PER and two proposed management instruments for DREU (2017 POI and TUPA).
- ✓ To improve the distribution process and verify the final destination of educational materials and resources in the context of getting the school year off to a good start, DREU completed an improvement plan and reinstated the COPARE.
- ✓ To promote transparency in education management and capacity strengthening on Open Government, the DREU updated its PTE.

3. TASK 3: ENHANCE TRANSPARENCY MECHANISMS AND CITIZEN PARTICIPATION

Over the course of the FY4-2016 reporting period, USAID's ProDecentralization program contributed to improving mechanisms for transparency and citizen participation within the framework of open government and as part of national policies to modernize public administration at both the national, as well as the sub-national levels. The following sections summarize the progress.

3.1 Government Accountability and Independent Control Systems used Effectively

ProDecentralization supported the Office of the Comptroller General (CGR in Spanish) for effective fulfillment of its control responsibilities during the transition process to a new administration. As such the CGR:

- ✓ Participated in the process to draft preventive guidelines to transfer authority in national government agencies as approved in the Comptroller Resolution 088-2016-CG published on March 18, 2016 in *El Peruano* official gazette.
- ✓ Became a member of the team responsible for the facilitating technical meetings with regulatory agencies, such as the system administrators for the National System for Public Accounting (*Sistema Nacional de Contabilidad Pública*); the National System for Public Investment (*Sistema Nacional de Inversión Pública*); the System for State Legal Defense (*Sistema de Defensa Jurídica del Estado*); the National Supply System (including the National Archive System (*Sistema Nacional de Abastecimiento, incluyendo al Sistema Nacional de Archivos*)); the Regulatory Agency for Public Procurement (*Organismo Supervisor de las Contrataciones del Estado*); the National Debt System (*Sistema Nacional de Endeudamiento*); and the National Treasury System (*Sistema Nacional de Tesorería*).
- ✓ Developed a user-friendly version of the aforementioned guidance document for distribution to the commissions set up for the transition of authority.
- ✓ Joined efforts to develop the CGR¹² Anti-Corruption Pack and print two of the six items that make up the Pack: ¹³ 1) self-evaluation guidelines on compliance with the Law on Transparency and Access to Public Information and 2) CGR pre-audit control. Furthermore, the Program worked to deliver the material to new central government authorities that took office as of July 28 as a means to strengthen public administration capacity and that of the National Control System. The Program undertook these efforts as part of the work coordinated through the donor community working on governance.

The Program provided technical assistance to the Public Defender's Office to strengthen capacity among the decentralized teams to supervise the use of *transparency murals*, as follows:

- ✓ Teams from the regional Public Defender offices (*Oficinas Defensoriales*) in Ucayali, San Martín and Madre de Dios are well-positioned to promote and supervise transparency murals as tools to compliment PTEs in disseminating and accessing public information in their respective territories.
- ✓ The regional Public Defender offices (*Oficinas Defensoriales*) in Ucayali, San Martín and Madre de Dios are committed to supervising transparency murals prepared by the local governments working with ProDecentralization and extend their implementation to other governments as one of the measures to ensure sustainability.

¹² The Anticorruption Pack is a dissemination material that has six printed documents: 1) services and tools for governmental controls; 2) sworn statements on income and assets; 3) accountability issues for heads of agencies; 4) internal controls; 5) self-evaluation tool on compliance with the Law on Transparency and Access to Public Information, and 6) CGR pre-audit control. The Pack also includes a CD with digital copies of the printed documents.

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As a result of Program technical assistance, the General Office for Transparency, Public Ethics and Anticorruption (OTEPA) at the Ministry of Education (MINEDU) strengthened its capacity to ensure full compliance with transparency and public ethics obligations with results as summarized below.

- ✓ 39 officials (20 men and 19 women) from MINEDU headquarters, the Regional Department of Education in Lima and the seven UGELs strengthened their legal capacities pertaining to the right to access public information in open governments.
- ✓ MINEDU/OTEPA completed an Institutional Plan on Open Government and Open Data as approved by Ministerial Resolution 435-2016-MINEDU published on September 10, 2016.

3.2. Citizen Participation in Public Participatory Processes Increased

The Program worked closely with PCM/SGP to strengthen its regulatory authority for open government with results as summarized below.

- ✓ Establish six teams of trainers on Open Government: three comprised of public servants and three made up of civil society organizations in Loreto, Ucayali and San Martin.
- ✓ The training teams replicated the training program for open government and reached a total of 110 officials and 145 social leaders.
- ✓ The Program directly trained 142 officials from governments in Amazonia on Open Government.
- ✓ As part of a “Development Challenge” competition organized by the National Civil Service Authority (SERVIR in Spanish) with support from the CADESAN/GIZ project,¹⁴, PCM/SGP was awarded first prize in its category and was acknowledged by the project for having used assistance by ProDecentralization to strengthen capacity on Open Government within regional and local governments (Category B: Good Practices in Managing Training Programs).

Another significant result to report is regularly scheduled updates this period to Standard Transparency Portals (PTEs in Spanish) and Transparency Murals, as follows:

- ✓ 22 subnational governments out of a total of 27 governments working with the Program are keeping their PTEs or murals up to date.
- ✓ The Public Defender’s office strengthened capacity to supervise PTEs and murals in Ucayali, San Martin and Madre de Dios and committed to continued follow up.

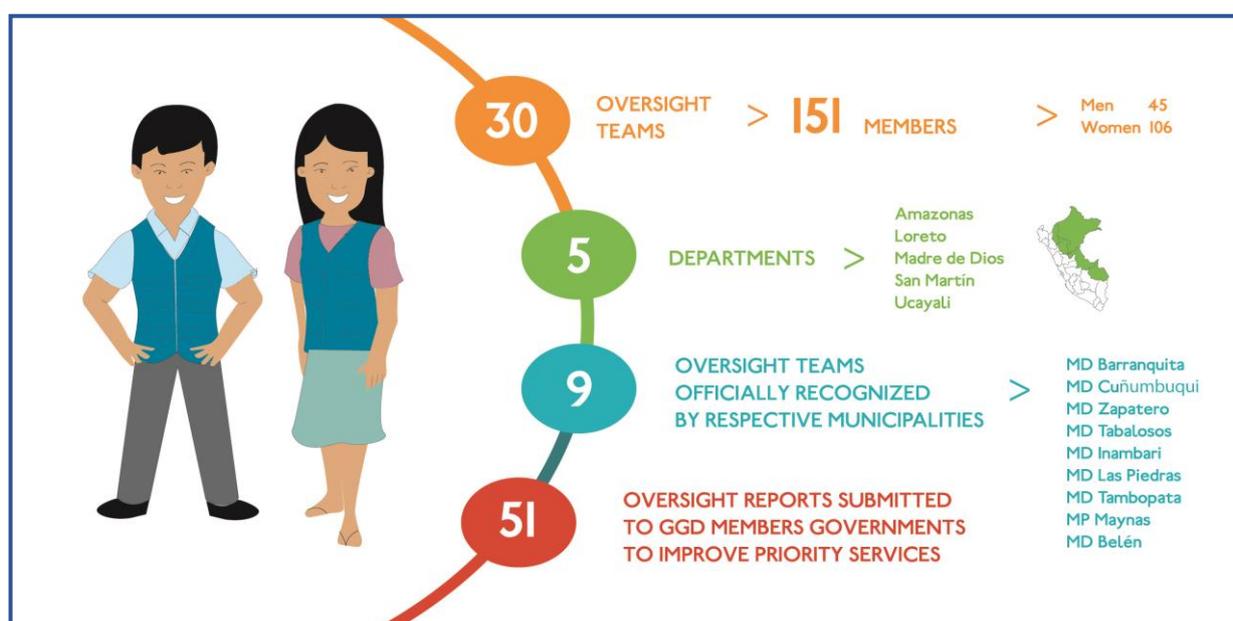
3.3. Effective Citizen Oversight Committees Improved and Broadened

Over Year Four, the Program noted improved strengths within the teams for collaborative citizen oversight and also reports gradual institutionalization of the initiative. The following section summarized results to date.

- ✓ 30 oversight teams with a combined total of 151 members in five departments of Amazonia have strengthened their capacities in the following areas:
 - Prepared and trained to present results from oversight activities to officials and authorities from GGD member governments.
 - Communicated on overseeing public services.
 - Drafted and validated checklists for oversight activities of prioritized services (CRED, education material distribution and teacher hiring).
 - Conducted training workshops with women leaders on the oversight teams on leadership and skills required to advocate for local public policies (84 total: 24 in Ucayali, 24 in Madre de Dios, 14 in Loreto, 13 in Amazonas and nine in San Martin).

¹⁴ CADESAN/GIZ, “Strengthening Capacities for Decentralization in Andean Countries,” is a regional Project funded by German cooperation and operates in Peru, Ecuador and Bolivia.

CITIZEN OVERSIGHT RESULTS



- ✓ Nine teams were officially recognized by their respective local governments:

OVERSIGHT TEAMS OFFICIALLY RECOGNIZED BY RESPECTIVE MUNICIPALITIES		
PRIORITIZED SERVICE	PRIORITIZED SERVICE	PRIORITIZED SERVICE
Distribute education materials in San Martín	MD in Barranquita	Mayoral Resolution 003-2016-MDB/A dated January 2016
	MD in Cunumbuqui	Mayoral Resolution 006-2016-A-MDC dated January 2016
	MD in Zapatero	Mayoral Resolution 003-A-MDZ-16 dated January 2016
	MD in Tabalosos	Mayoral Resolution 010-2016-A-MDT dated January 2016
Integrated Solid Waste Management Services (public sanitation) and environmental education	MD in Inambari	Mayoral Resolution 180-2016-ALC_MDI dated October 4, 2016
	MD in Las Piedras	Mayoral Resolution 237-2016-MDLP-ALC dated September 27, 2016
	MD in Tambopata	Mayoral Resolution 475-2016-MPT-A dated October 11, 2016
Monitoring Growth and Development (CRED) for children under five	MP in Maynas (health center in Moronacocha)	Mayoral Resolution 377-2016-A-MPM dated September 8, 2016
	MD in Belén	Mayoral Resolution 0217-2015-A-MDB dated August 17, 2015

- ✓ The following table summarizes the teams' combined 51 reports on their oversight efforts for GGD member governments to improve prioritized services:

PRIORITIZED SERVICE SUBJECT TO OVERSIGHT	DEPARTMENT	TOTAL OVERSIGHT REPORTS IN FY4-2016
SOLID WASTE COLLECTION AND TRANSPORTATION	UCAYALI	25
	MADRE DE DIOS	12
DISTRIBUTION OF EDUCATION MATERIALS AND TEACHER HIRING	SAN MARTÍN	6
	UCAYALI ¹⁵	N/A
CRED MONITORING	AMAZONAS	5
	LORETO	3
TOTAL		51

User satisfaction surveys in 2016 reveal that those services with Program technical assistance showed significant progress as perceived by users, particularly when compared to results from prior years (see Annex 3.2).

¹⁵ Service oversight is scheduled for the second half of FY 5 2017 in preparation for a good start to the 2017 school year.

4. CROSS-CUTTING THEMES: SOCIAL INCLUSION, GENDER AND INTER-CULTURALISM

Every activity undertaken by the Program includes an approach on social inclusion, gender and inter-culturalism. The following sections summarize results over the course of the FY4-2016 reporting period:

• GENDER

- The Program provided technical assistance to regulatory agencies and decentralized governments to support their drafting of regulations, guidance and instruments at the national, regional or local level that could potentially impact effective cross-cutting approaches for gender. For example:

Provide MIMP with the following proposals:

- Methodology for a diagnostic assessment of national, regional and local spending on female adults, adolescents and children in Condorcanqui as a means to reduce gender gaps and promote equal opportunity.
 - Public Fund for Gender Equality to promote allocating and managing public resources for policy, programs and project initiatives pertaining to gender equality and reducing gaps using a results-based approach, more specifically, for the physical, financial and decision-making independence for women.
- The Program tailored the Institutional Capacity Diagnostic by including a gender approach and produced a Gender Institutional Capacity Index (ICIG) for local and regional governments as it pertains to services to reduce chronic child malnutrition. GGD member governments applied the tool in 2015 and 2016 in all five departments (Amazonas, Loreto, Madre de Dios, Ucayali, San Martín and Ucayali).
 - The Program provided assistance to complete and officially approve eight projects using a gender approach for improvements at the health centers in Galilea Kigkis, Galilea, Nieva and Huampami:
 - Four projects to improve CRED services as stipulated in Sub-regional Executive Resolution 16-2016- GRA/DRSA/DRSC/DE (dated May 12).
 - Four projects to improve pre-natal services as stipulated in Sub-regional Executive Resolution 15-2016-GRA/DRSA/DRSC/DE (dated May 12).
 - Prepare two guides to help integrate gender for a) CRED services as stipulated in Executive Sub-regional Resolution 036 – 2015 GOBIERNO REGIONAL DE AMAZONAS /DRSA/DSCR-DG and for b) pre-natal services as stipulated in Executive Sub-regional Resolution 037 – 2015 GOBIERNO REGIONAL DE AMAZONAS /DRSA/DSCR-DG (in October) as issued by the Condorcanqui Health Network (on October 5).
 - The Amazonas Regional Government approved planned activities for institutional strengthening with a gender approach under Regional Management Resolution 297-2016 - GOBIERNO REGIONAL DE AMAZONAS/GGR dated July 6.
 - Three sub-national government regulations approved:
 - Municipal Ordinance 023 - 2015- MDRS/A dated November 25 to prioritize local policies to eradicate teen sexual abuse in the Rio Santiago district with specific guidance and strategy tools.
 - Mayoral Resolution 061-2016-MDRS/ALC dated March 17 for the KANUS municipal radio station to broadcast content during a talk show hosted by women that promotes the participation, empowerment and leadership of women in Rio Santiago.
 - Regional Ordinance 012-2015-GRSM/CR mandating inclusive language in all areas and in all management processes undertaken by the San Martín Regional Government.

- Review and provide input to MIDIS on three management documents: a) brief textbook with recommendations to prepare communications material on the Ministry's social programs; b) checklist to evaluate the use of a gender approach within units responsible for social programs, and c) terms of reference to contract specialists for a diagnostic assessment to strengthen capacity for a gender approach within the Ministry's social programs.
- Complete a program to strengthen capacity among women leaders and validate the content, including: overviews, handouts and materials, a trainer handbook (facilitator and trainer) and five modules with content on a) self-esteem, identity and empowerment for female leaders; b) female leadership; c) participation, advocacy and citizen oversight; d) economy and sustainable development, and e) communication for leadership.
- Strengthen the capacity of 72 individuals in Condorcanqui (49 women and 23 men) to increase their knowledge base regarding gender terms and tools:
 - 25 local managers from the JUNTOS Program to promote shared parenting responsibilities (23 men and 02 women).
 - 24 leaders in Condorcanqui on gender equality (while implementing the training program for female leaders).
 - 23 women representing oversight organizations and committees in Rio Santiago, Galilea and Nieva, Condorcanqui.
- Published communications material and radio spots in several languages (Spanish, Wampi and Awajun) with a gender approach produced and validated with the Condorcanqui Health Network using guidance from MINSA to inform the public about CRED and pre-natal services. The material (banners, spots and posters) encourages shared parenting responsibilities and timely pre-natal care.
- In commemorating the International Day of Women, a district forum organized on committing to leadership, participation and economic empowerment of women so as to increase the visibility of women in development in Rio Santiago and build awareness about the problems facing women by engaging with authorities and other organizations. A total of 120 individuals (100 women and 20 men) participated in the public event. It is particularly noteworthy that 90% of the participants were Awajun and Wampi and the mayor and regional council members from Amazonas also attended. <https://www.facebook.com/photo.php?fbid=1677099392572081&set=a.1379989522283071.1073741828.100008161086059&type=3&theater>
- The Program strengthened capacity among women elected to office in Condorcanqui (regional and municipal council members) to provide assistance in developing work plans that promote gender equality and women's rights.

• INTER-CULTURALISM

- The Program worked with the Vice Ministry for Inter-culturalism to strengthen its regulatory authority and implementation of the, "Guide to Public Services with Cultural Relevance", (applying an inter-cultural approach in managing public services) in two departments: Loreto, with the Regional Health Department and the MD in San Juan Bautista, and in Ucayali with the UGEL in Coronel Portillo and the MD in Nueva Requena.
- Provide assistance to approve two regulatory tools; the first being Regional Ordinance 012-2015-GRSM/CR (in November) to ban racism and discrimination in all shapes and forms within the jurisdiction of the MD in Nueva Requena (including discrimination based on gender) and work with the Ministry of Culture to implement guidance for culturally-relevant public services for decentralized governments as stipulated in the second instrument – a protocol for citizen services with an inter-cultural approach implemented by the MD in Nueva Requena.

- **SOCIAL INCLUSIÓN**

- The Program completed efforts in March with PCM/SGP to strengthen public policy in favor of social inclusion. As such, Program technical assistance to PCM produced pre-investment studies and feasibility studies (five Mobile Social Action Platforms (PIAS in Spanish) for five projects deemed viable by the PCM Office for Investment Programs (OPI in Spanish). The PIAS were submitted and operationally transferred to the Ministry of Defense as stipulated by MIDIS.
- In collaboration with the Homosexual Community for Hope in Loreto (CHERL in Spanish), candidates running for Congress from Loreto committed to agreements in favor of equality, with no discrimination, during election season.

5. STRATEGIC ALLIANCES

ProDecentralization strengthened its alliances with regulatory agencies, with USAID projects, with the donor community, with associations of sub-national governments and with private enterprises that see the Program as a strategic ally to improve decentralized administration to more effectively deliver public services, especially in the Amazonian region. The Program highlights work through the following alliances:

Working on Task 1: Improved Policy-Regulatory Framework

Program progress in this area is the result of coordinated efforts in conjunction with:

- Presidency of the Council of Ministers through the Secretariats for Decentralization and Public Administration, the National Office on Dialogue and Sustainability, the Antional Authority on Civil Service-SERVIR; the National Center to Assess, Prevent and Reduce Disaster Risk and entities with which the Program joined efforts to make progress in implementing decentralized management of national public policy.
- The Ministries of Education, Environment, Development and Social Inclusion, Women and Vulnerable Populations, Economy and Finance, especially the Supervisory Entity for public acquisitions (OSCE, in Spanish) and Culture contributing to laying the foundation for improved decentralized management to implement policy and assistance for operational instruments.
- Decentralization and Modernization of the State Congressional Committee, in promoting debate on decentralization and assistance with other international donors to prepare and publish the annual report on decentralization.
- In the period leading up to elections, work with the Institute for Peruvian Studies (IEP) *IDEA Internacional*, the Peruvian Institute for Entrepreneurial Action (IPAE), the National Fishing Society (SNP), among others, to contribute to debate on public policy, particularly that on decentralization, education, health and social conflict management.
- The Program also forged additional alliances this period, including those with *ProInversion*; private enterprises (*Cerveceria Peruana Backus y Johnston S.A.A.*, *preliminary coordinations with Repsol*), sub-national government associations (ANGR, REMURPE), other donors (GIZ, *ProGobernabilidad*) and decentralized governments in the Amazonian region-
- In addition, the Program started a collaborative work with the Homosexual Community “Esperanza” in Loreto to support them in the process of systematization of the experience for integrating rights of the LGBTI community in regional and local regulations.

Working on Task 2: More Efficient Sub-national Governments

- Health: Efforts with the NutriWawa Program also called for working closely with the Fund for Economic Inclusion in Rural Zones (FONIE) and social program JUNTOS within the Ministry for Development and Social Inclusion (MIDIS) and the Fund for Performance Stimuli and Social Results (FED) to fight against chronic child malnutrition using a multi-dimensional approach in the departments of Amazonas y Loreto. Given conditions in the Amazonas GGD, the Program set up coordination mechanisms with the Ministries of Health (MINSa), Housing, Construction and Sanitation (MVCS), Economy and Finance (especially, *Conecta MEF*) and Women and Vulnerable Populations (MIMP). In addition, the Program worked with National University of the Peruvian Amazonia in Loreto (UNAP) and the National University Toribio Rodriguez de Mendoza, the Working Group for the Fight against Poverty (MCLCP), ALICORP and other public and private organizations committed to the fight against chronic child malnutrition.
- Education: Close coordination with the Decentralized Management Division (*Dirección General de Gestión Descentralizada –DIGEGED* in Spanish) and the Lima Regional Direction at the Ministry of Education, as well as with the San Martín Regional Department of Education (DRE in Spanish) and the PCM Secretariat for Public Administration (PCM/SGP in Spanish); to promote an organizational restructuring and implementation of a model for regional education management. With the Ministry of Culture, the Program coordinated the design and

implementation of signals in languages shipibo-conibo and ashaninka in the UGEL Coronel Portillo- Ucayali. With the Regional Governments of Piura (DRE and UGEL of Morropon), in the implementation of the internship on Education for Ucayali and San Martin teams. With National University of Ucayali and the Peruvian Catholic University for extending the experience developed in San Martin with the Ucayali DRE. In similar fashion, ProDecentralization joined efforts with the Sociology Program at the School for Social Sciences from PUCP to work in San Martin.

- Environment: Close coordination with the Ministry of Environment (MINAM in Spanish), including the MINAM +CAF Program and GGD member governments in Madre de Dios and Ucayali to promote compliance on meeting targets on environmental management under the Municipal Incentives Plan and its participation in the Internship Program for Ucayali and Madre de Dios teams. In addition, in the implementation of the Internship, ProDecentralization Program has established a collaborative work with the Municipalities of Concepción (Junín) and Santiago de Surco and San Borja in Lima. In Madre de Dios: the Program has strengthened coordinations with the Consejo de Programas de Educación Ambiental (COPREDAM) through ACCA y SERNANP), Fondo Mundial por la Naturaleza and Huarayo Association, as well as the National University San Antonio Abad del Cusco – Sede Madre de Dios. In Ucayali, the Program joined efforts with the eastern division headquarters for Cerveceria Peruana Backus y Johnston S.A.A in Ucayali, decentralized offices of OEFA a ANA in Ucayali, Cámara de Comercio y Turismo de Ucayali, Comercial Center Open Plaza, Comercial Center Real Plaza, Electro Ucayali y Emapacopsa, Educational Institutions and association of former environmental engineering students from Ucayali, Association Mai Metza, Marine Army of Peru and Recyclers association.
- In capacity strengthening, the Program reports progress as follows:
 - Ministry of Economy and Finance, National University of the Amazonía Peruana (UNAP), United Nations Development Program (PNUD), UNICEF and the *Mesa de Concertación para la Lucha contra la Pobreza* (MCLCP), for the design and implementation of the Diplomate, named “*Gestión pública articulada para el desarrollo sostenible*”, in Loreto.
 - Synergistic efforts with dialog promotion, strengthening the collaborative work with the National Office for Dialog and Sustainability (ONDS-PCM) for the implementation of the Training Program on Dialog and Conflict Management in Ucayali. In addition, the Program worked with the USAID SPDA Project in Loreto to identify common issues and opportunities for collaboration.
- With the 26 governments that form part of the Decentralized Management Groups (GGD) in the five departments of the Amazonian for strengthening institutional capacities and the improvement of prioritized services. Also, with the 10 local governments included in the expansion of the local management strategy of education, implemented by the Regional Government of San Martín.

Working on Task 3: Improved Transparency Mechanisms and Citizen Participation

The Program reports progress this period from alliances as summarized below.

- Efforts with PCM/SGP to implement three different capacity strengthening programs tailored to decentralized governments, CSOs and citizen oversight groups. As well as closing activities for the Public Investment Projects-PIP of the *Plataformas Itinerantes de Acción Social* before their transfer to the Ministry of Defense.
- Work with CGR to present the Barometer for Public Management, an important tool developed with ProDecentralization Project (ProDes II), in the XX CLAD International, in November 2015. In addition, the collaborative work in the transfer process carried out with the national entities of the Executive, in the general elections context.
- Coordinated activities with Office on Public Ethics and Transparency at MINEDU.
- Collaborative work with the decentralized Ombudsman’s offices in Ucayali, Madre de Dios and Loreto to promote open government.
- In working on gender, social inclusion and inter-culturalism, the Program reports successful alliances with MIMP, MIDIS and the Ministry of Culture.

- With the National Assembly of Regional Governments: technical assistance in the preparation of the I Summit of Decentralization that took place on June 2016 as well as a presentation on the Balance of the Decentralization Process in Peru and recommendations to improve the process; and formulation of guidelines to promote transparency among the regional governments.

6. COMMUNICATIONS

The Program worked on communications this period in support of activities implemented to improve national policy and strengthen institutional capacity to improve services prioritized by each GGD:

- ✓ Produce materials to facilitate dialogue that could lead to key actors implementing policies for decentralization, as follows:
 - Update and print 500 copies of the second edition training program on Open Government designed for regional and local governments (Program 1). The materials were originally utilized during training workshops for officials and citizen oversight teams in Loreto and Ucayali. The Program leveraged the effort to distribute the material to all the GGD member governments in all five departments.
 - Print layout, publish and distribute:
 - A document on “Public works for taxes as a contribution to local development and stronger local governments,” systematizing the experience between Backus and the MD in Sachaca, Arequipa. The experience took place within the framework provided by Law 29230 on promoting regional and local public investment with private sector participation. As such, results included:
 - 250 printed copies (cost covered by *Cerveceria Peruana Backus y Johnston S.A.A.*)
 - An event to present the document in Arequipa on November 29, which was widely covered by the media, including several print outlets (*Correo, El Pueblo, La Republica, Noticias 16, Sin Fronteras*), together with television stations (ATV Sur, Panamericana TV, Kuarto TV and TV Mundo).
 - A public policy brief (3,000 copies) on issues pertaining to education, health, decentralization and conflict management. The Program worked closely with the Institute for Peruvian Studies and other institutions from civil society, as well as the donor community. Furthermore, the Program organized events in all five departments of Amazonia to distribute the material (see Task 1).
 - Coordinate efforts to produce and publish an insert on May 31 (*Juridica*) for distribution within the *El Peruano* official gazette, issue #599 entitled, “The State and Citizenship: Urgent Agenda for Decentralization”. A total of 12,000 copies of the eight-page insert were printed for nationwide distribution in the official gazette and included five op-ed pieces by renowned experts in the field of decentralization plus an infographic with recommendations to improve the decentralization process. In addition, authorities emailed .pdf versions to 1,303 contacts <http://www.elperuano.pe/suplementosflipping/juridica/599/index.html>.
 - Print layout and publish:
 - 1,000 copies of the “Annual Report on Decentralization” as of January 2016. Copies were distributed to recently elected members of Congress, ministers, regional and local authorities, experts and partner institutions. In addition, the Program provided assistance to distribute another 60 copies of the Annual Report in Cusco among participants (including recently elected officials soon to take office) at the I Annual Summit on Decentralization organized by ANGR. The contents were also emailed as a .pdf file.
 - 1,000 copies of the, “Decentralized Management Matrix: an experience on interagency coordination within the Ministry of Education”. The Program coordinated distribution with MINEDU to distribute copies to officials from a variety of institutions (National Congress, PCM, Secretariat for Decentralization, ANGR, regional governments, DREs, UGELs, National Council for Education, etc.).
 - 1,500 copies of publication, “Guidelines on preventive measures when transferring management authority from central government agencies”. This document was produced and distributed by CGR in preparation for the transfer of authority within central

government agencies. In a dovetail effort, CGR also organized a training workshop for the members of commissions responsible for transferring authority (June 30).

- Update “Guide to create Standard Transparency Portals”, which was designed for provincial and local governments in all five departments of Amazonia with 100 copies for Madre de Dios and 30 copies for Ucayali.
- Five regulatory tools in user-friendly versions and visual diagramming for use by the regulatory agencies:
 - Two for the PCM/SD on: a) working document on institutional capacity and a new approach to strengthen decentralized management, and b) guidance to develop decentralized management for results-based delivery of public services. Publication was the result of a partnership with the Canadian Governments ProGovernance Project (1,500 copies).
 - One for the Ministry of Culture for final review of recommendations to improve inter-cultural institutional in delivering services to indigenous peoples in San Martin.
 - Two for the Ministry of Education as to the decentralized management matrix: a) “Guidelines on Decentralized Education Management”, and b) “Guide for a Decentralized Management Matrix - the Ministry of Education’s experience in Inter-agency Coordination”.
- Prepare, review and print infographs:
 - “Public Spending for Gender Equality Condorcanqui – Amazonas”. 150 copies printed to commemorate the International Day of Women, which were distributed during a public forum on March 3 to discuss commitment to the participation, leadership and financial independence of women in Rio Santiago, as well as during a forum on March 10 in Chachapoyas, Amazonas. This occurred prior to the 2016 general elections to discuss public policies that are viable in the Amazon region and legislative proposals.
 - One infograph on decentralization to be included in the handouts provided during the dialogues to debate public policies.
 - Three infographs on results produced by the GGD in Madre de Dios (Tambopata, Inambari and Las Piedras) summarizing progress to date (September 2016) since the Program launched in 2013, plus 250 copies of a brochure entitled, “Tambopata: a litter-free city for residents”, (material prepared for Program close out in Madre de Dios).
- ✓ Strengthen capacity on communication skills as a means to improve the delivery of prioritized services for 119 public servants (69 women and 50 men) on the subjects of: spokespersonship, communication campaign design, guidance on graphic design and increased knowledge base of radio formats.
- ✓ The Program engaged with internal and external audiences to provide information and supply material on the decentralization process as follows:
 - The Program website logged a total of 8,861 new visitors and 11,643 returning users from October 2015 through September 2016. The most popular sections included the pop up on the Annual Report on Decentralization” as of January 2016 (4,042 visitors); the OSCE Handbook on Public Contracting –Module II (1,872 visitors), and Publications (613 users). Users were classified by: age groups 25-34 (32.64%); 35-44 (20.73%), and by gender (52.9% male and 47.1 % female users).
 - Produce 141 copies of the Decentralization Newsletter providing highlights from recent media coverage to inform the ProDecentralization team at both Program headquarters in Lima and in the field.
 - A total of 52 weekly reports submitted to USAID describing results to date, planned activities and items from the current political context.

7. MONITORING AND EVALUATION

• Performance Monitoring Plan - PMP

The Program continued to monitor activities according to the updated Performance Monitoring Plan (PMP) approved by USAID. The team documented all progress and results for each performance indicator.

Indicators and Targets:

- ✓ Each of the 33 indicators in the revised PMP dated May 2016 had specific targets for Year Four. The **Program reached or surpassed the target of 31 indicators, of a total of 33 indicators:**
 - In order to meet the demanding number of indicators and targets, the Program made significant efforts to align implementation to national policies and to engage quickly to coordinate efforts with central government regulatory agencies and sub-national governments. In a parallel effort, the Program redoubled efforts regarding citizen participation to oversee the delivery of services and obtain commitments that contributed to achieving expected results.

The FY4-2016 **Annual Performance Indicator Report** provides further details on each indicator (see Annex 2.1).

- ✓ The Program worked this period to update the **PMP** following a process to review, modify and include recommendations from discussions between the Program team and USAID. This included five new indicators on expanding implementation to strengthen education service delivery in Ucayali and to reinforce national policy in regard to education, as well as for providing prenatal services and environmental education. Following the process, the number of indicators increased from 28 to 33. In addition, the process led to updating the number of decentralized governments that comprise the GGDs from 29 to 27 to reflect the fact that two governments in Madre de Dios (the Regional Government and the District Municipality in Laberinto) declined assistance from the donor community. USAID approved the revised PMP on May 17, 2016.
- ✓ The monitoring of progress of Program results continued by using and strengthening the following :
 - a) FOCAS for institutional capacity diagnostics;
 - b) developed improvement plans or tools for prioritized services;
 - c) applied user satisfaction surveys on delivering the services prioritized by each GGD;
 - d) conducted field monitoring visits, and
 - e) recorded and file evidence and verification data.

• Annual Work Plan

As a result of the participatory process for strategic planning for the Program's last full year, the team produced the **FY5 2017 Program Work Plan** to strengthen the consolidation and sustainability of change processes in the institutions working with ProDecentralization in each of the five departments of Amazonia: Amazonas, Loreto, Madre de Dios, San Martin and Ucayali. The Plan is designed around progress to date and considers the diversity within each territory in which the Program is operating.

• FY2016 Deliverables for Year Four

The program fully met or exceeded its ambitious Year 4 deliverables schedule. Taken together, the Year 4 deliverable schedule included **19** deliverables or approximately *one deliverable for every 13 work days*. The project exceeded this demanding schedule by submitting **14** of the deliverables before their due date and **5** of the deliverables on the target date. No deliverables have been submitted after the deadline.

The deliverables were distinguished by their notably high level of quality, requiring few or minimal modifications prior to their acceptance by USAID. Relevant deliverables were publicly disseminated to key counterparts and beneficiaries who publicly complemented their relevance and quality.

Specific details on the deliverables, deadlines and USAID approval dates are included under Annex 3.3

ANNEXES

I. SUCCESS STORY:

INSTITUTIONALIZING THE INSTITUTIONAL CAPACITY DIAGNOSTIC

“...The Office for Development of Municipal and Regional Capacities and Intergovernmental Coordination (reporting to PCM/SD) acknowledges a proposed instructive on “Institutional Capacity Diagnostics for Regional and Local Governments”, designed by the USAID ProDecentralization Program (...)

HEREBY RESOLVES...to APPROVE the Instructive”



Instructive approved by the regulatory authority is an excellent example to show that it is indeed possible to develop national public policy from decentralized governments!

The need for instruments to measure institutional capacity within local and regional governments to enable them to detect management bottlenecks and assess quality in delivery public services to citizens is what led the USAID ProDecentralization Program to tailor the Institutional Capacity Diagnostic to Peru. The tool was originally developed by TT/ARD and has been applied successfully in countries all over the world, including Latin America, Africa and Eastern Europe.

To that end, the Program replicated the tool and adapted it to the Peruvian context for use by 22 decentralized governments in Amazonia over the course of four consecutive years, from 2013 to 2016. On the other hand, 23 subnational governments institutionalized the annual application of the Diagnostic: six governments in San Martin (the Regional Government, the MP in Lamas and the MDs in Cunumbuqui, Zapatero, Tabalosos and Barranquita), three governments in Amazonas (the Regional Government, the MP in Condorcanqui and the MD in Rio Santiago), five governments in Loreto (the MP in Maynas and the MDs in Belen, Punchana, San Juan Bautista and Fernando Lores), three governments in Madre de Dios (the MP in Tambopata and the MDs in Inambari and Las Piedras) and six in Ucayali (the Regional Government, the MP in Coronel Portillo and the MDs in Manantay, Campo Verde, Yarinacocha and Nueva Requena).

In using the tool, governments obtain reliable data on the status of their institutional capacities, which in turn enables them to make informed decisions to improve the fulfillment of their five broad functions: planning, regulation, executive / administrative, promotion of citizen participation, and oversight and control. As a direct result, the governments are now well-positioned to better manage the public services they provide.

Stemming from the positive experience in March 2016, officials from the Ucayali Regional Government and the Provincial Municipality in Lamas, which were using the tool, presented the experience to the Secretariat for Decentralization at the Presidency of the Council of Ministers (PCM/SD), with the technical assistance from the USAID ProDecentralization Program. The presentation was very well received by the PCM/SD and was considered that all sub-national governments would greatly benefit from the instrument. To that end, they approved a Resolution issued by the Secretariat for Decentralization (015-2016-PCM/SD) as published in the Official Gazette, *El Peruano*, on May 25, 2016.

The components that were key to first transferring the tool, then later to having PCM/SD approval are as follows:

- ✦ Ownership of the tool by decentralized governments, based on the application of the tool to improve prioritized public services in each of their regions: issues that ranged from distributing education material (in San Martin and Ucayali, as

of 2015), collecting solid waste (in Ucayali and Madre de Dios) and providing CRED services (in Loreto and Amazonas).

✚ Receptiveness, positive evaluation and interest to expand the application of the tool to other services and sectors at the national level. This was possible through engaging members of the Multisector Commission for Capacity Development in Public Administration for Regional and Local Governments. *(Comisión Multisectorial para el Desarrollo de Capacidades en Gestión Pública de los Gobiernos Regionales y Locales).*

A presentation on the tool was made during the Commission's regular meeting in May 2016, to 27 government officials representing several ministries and PCM secretariats, as well as members of the Civil Defense, the Fire Department and the National Civil Service Authority.

Institutionalizing the Instructive on Institutional Capacity Diagnostic for regional and local governments is a tangible result from practice to policy.

