Report of the Chairman
Programming Committee of the Board of Executive Directors
(Document GN-2472)

The Programming Committee of the Board met on March 7, 2008 to discuss the IDB Country Strategy with Peru (GN-2472). The Country Representative participated in the session.

Members of the Committee expressed support for the strategy and its pillars, and commended the Peruvian Government for its impressive gains in economic growth and stability. There was agreement among Directors that benefits brought about by the country’s economic performance needed to be extended to the general population, particularly to those persistent pockets of extreme poverty. Directors also raised questions on subjects related to gender, environment and the preparation process of the country strategy under the new matrix organization.

Responding to Directors' questions on the Bank’s role in Peru, Management stated that it considered the availability of more and better financial instruments key to opening additional financing opportunities and that knowledge creation and best practice dissemination were central to the lending strategy.

Regarding gender, Management commented that the participation of women was a crosscutting issue being mainstreamed in all Bank country strategies and operations, even when no reference had been made in the document. The country Representative explained that the Bank would provide support the Government in the implementation of the decision to create a Ministry for Women Issues and Development.

Responding to questions on Bank efforts to mitigate risks, Management cited the example of Peru’s vulnerability to external factors, especially swings in commodity prices. The strategy was directly addressing productive diversification, focusing on business climate, access to markets, and private sector financing.

On the environment front, the Country office was working on mechanisms regarding a system for prevention of natural disasters. The Bank had also committed to assist the Government in the creation of the new Ministry of Environment.

Regarding the preparation of the Country Strategy under the matrix organization, the Representative noted the efficient collaboration between the Vice Presidencies of Sectors and Countries and the involvement of all Bank sectors plus the IIC and MIF.

Finally, the Committee agreed to recommend approval of this version of the document (GN-2472), but asked that Management update information on activities carried out in 2007, so that it properly covered the 2007-2011 period. Economic data would also be updated.

In my capacity as Chairman of the Programming Committee, I recommend that the Board approve the Country Strategy for Peru.