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PERU

Government Procurement Support Activity
Annual Report
2024

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Agreement Number: 72052720T00002

Activity Start Date and End Date: September 1, 2020 to August 31, 2026

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I. PROGRAM OVERVIEW/SUMMARY

Program Name:	Government Procurement Support Activity
Activity Start Date and End Date:	September 1, 2020 to August 31, 2026
Name of Prime Implementing Partner:	Commercial Law Development Program (CLDP) U.S. Department of Commerce
Agreement Number:	72052720T00002
Name of Subcontractors/Sub-awardees:	N/A
Major Counterpart Organizations:	General Directorate for Supply (DGA) and Peru's Supervisory Body for Public Contracting (OSCE)
Geographic Coverage (cities and or countries):	Peru
Reporting Period:	July 1 to September 30, 2024

ACRONYMS AND ABBREVIATIONS

AOR	Agreement Officer's Representative
AmCham Peru	American Chamber of Commerce of Peru
DGA	General Directorate for Supply (Dirección General de Abastecimiento)
DQA	Data Quality Assessment
IR	Intermediate Result
IPT	Integrated Project Team
GoP	Government of Peru
MOU	Memorandum of Understanding
MEF	Ministry of Economy and Finance
MEL	Monitoring, Evaluation, and Learning
MTC	Ministry of Transportation and Communications
OSCE	Peru's Supervisory Body for Public Contracting
PMU	Project Management Unit
SERVIR	National Civil Service Authority (Autoridad Nacional del Servicio Civil)
SGTD	Secretariat for Government and Digital Transformation (Secretaria de Gobierno y Transformación Digital)

1.1 Program Description/Introduction

Peru's inadequate legal framework and weak institutional capacities for public procurement and project management have contributed significantly to delays and failures of infrastructure development. The COVID-19 pandemic has further exacerbated these challenges and shed light on the procurement system's gaps as the country struggles to meet the country's public health and services needs in a transparent and efficient court manner.

Additionally, Peru's procurement processes, even prior to the pandemic, have been plagued by corruption and inefficiencies at all levels of government. On the project level, the Government of Peru (GoP)'s management of projects is also disjointed, with budget, contracting and technical staff working independently, which has resulted in serious design flaws, delays in all contracting stages, increased disputes with contractors and deficiencies in project delivery. The fear of external controls and audits by the Contraloría, or Comptroller, also prevents these government employees from effectively working as a team to move projects forward. The Ministry of Transportation and Communications (MTC) has expressed interest in developing a pilot project on project integration for several of its infrastructure projects and hopes to expand this more effective project management approach broadly throughout the Ministry.

Peru's Dirección General de Abastecimiento, or General Directorate for Supply (DGA), is tasked with addressing corruption and efficiency concerns and increasing private sector participation and confidence in the procurement system. The DGA has requested technical assistance to better understand international best practices to address Peru's unique procurement challenges and to effectively incorporate such practices in its draft legislation and regulations. CLDP's Activity primarily supports the DGA to meet its goals for procurement and infrastructure improvements and may include additional GOP entities in consultation with USAID and the U.S. Embassy.

CLDP's support has expanded to Peru's Supervisory Body for Public Contracting (OSCE), to strengthen and provide technical assistance and international expertise in its efforts to professionalize the country's procurement workforce.

CLDP has also expanded its procurement work to include Peru Compras, which is currently in the process of establishing its catalogue of cloud services. CLDP is providing technical assistance to Peru Compras on how to effectively design and implement its cloud services catalogue with an emphasis on having a multi-cloud approach to maximize competition and with a focus on reducing security and performance risks. CLDP, in an agreement with the U.S. General Services Administration (GSA), provides experts from GSA's Technology Transformation Services office's cloud adoption center of excellence.

Technical assistance and training provided under this agreement advance shared U.S. Government-Government of Peru (GoP) procurement goals consistent with the USAID/Peru

Country Development Cooperation Strategy (2020-25), Embassy Lima’s Integrated Country Strategy, and Peru’s National Infrastructure and Competitiveness Plans.

Project Purpose: To provide technical assistance to the GoP to improve project management capacity and the effectiveness of its procurement lifecycle for large-scale infrastructure projects.

Intermediate Results (Program Objectives):

- (i) Improved transparency, effectiveness, efficiency, sustainability, inclusivity, and competition features in the Peruvian procurement lifecycle through new legal reforms, policies, and guidebooks; and
- (ii) Improved Peruvian capacity in targeted GoP agencies to use and adapt effective and efficient project management and project integration practices; and
- (iii) Increased sustainability of improvements through the professionalization of the procurement infrastructure workforce
- (iv) Improved capacity to procure innovative technologies and mitigate cybersecurity risks

2. ACTIVITY IMPLEMENTATION PROGRESS

2.1 FY24 Progress Narrative

In FY24, CLDP exceeded its targets for performance indicator, “Number of government officials receiving USG-supported anti-corruption training”. CLDP trained 169 GOP officials on a series of topics ranging from combatting bid-rigging in public procurement to the application of OECD MAPS indicators. Similarly, CLDP exceeded its target for performance indicator “Number of anticorruption measures proposed, adopted or implemented due to USG assistance, to include laws, policies, or procedures”. In June 2024, Peru passed the new procurement law, which included over 20 CLDP recommendations, including value-based selection criteria, market research requirement, penalties for late payments to government vendors, authorized use of standard international engineering contracts (FIDIC, NEC) for infrastructure projects, contractor performance evaluation mechanisms, prohibition against anti-competitive practices, closed framework agreements, among others, which will help to combat anti-corruption in Peru’s public procurement system. With the passing of the new procurement law, CLDP also met its targets for performance indicator “Number of legal instruments drafted, proposed, or adopted with USG assistance designed to promote socioeconomic or environmental sustainability in the public procurement system”. The new procurement law has incorporated “sustainability” as one of its guiding principles, which call on contracting authorities to promote responsible practices in the procurement of goods, services and infrastructure considering economic, social and environmental aspects.

CLDP also surpassed its targets for performance indicator, “Number of GoP personnel, private sector, or civil society representatives trained on improving inclusivity and sustainability in public procurement”. CLDP successfully organized its first workshop on sustainable

procurement, which shared best practices, strategies and tools to integrate sustainability principles throughout the public procurement lifecycle. Additionally, CLDP facilitated the participation of GOP officials in virtual events, organized by the White House, on sustainable procurement. CLDP also organized a technical session on procurement professionalization for the Peruvian and Dominican delegations on the margins of the Interamerican Network for Government Procurement's (INGP) annual conference. However, CLDP did not meet its targets for performance indicator "Number of institutional resources created or adopted by GoP with USG assistance to inform best practices on sustainable and inclusive procurement" due to the GoP's prioritization of the new procurement bill and regulation and delays in convening the new Multisectoral Commission for Sustainable Procurement.

CLDP exceeded its targets for performance indicator "Number of GoP officials and professors trained on the best practices as part of the professionalization program and the creation of IPTs". CLDP worked with OSCE and local subject matter experts to organize a working session to obtain key inputs from procurement specialists and practitioners on professionalization instruments being developed as well as a virtual session to validate the tools. CLDP also organized a technical session on procurement professionalization for the Peruvian and Dominican delegations on the side of the INGP's annual conference, which contributed to a productive dialogue and exchanges of experiences, challenges and ideas.

Additionally, CLDP met its targets for performance indicator "Number of institutional resources created and/or adopted by GOP with USG assistance to inform best practices on procurement lifecycle, technology procurement, cybersecurity, procurement professionalization, certification, PMUs and IPTs, etc." CLDP facilitated the creation of the two key instruments, namely a functional map and a standard competency matrix, for Peru's Supervisory Body for State Contracting (OSCE) to support its efforts to build a skilled procurement workforce.

Although CLDP facilitated private sector's input on the procurement bill by organizing a roundtable in Q1, CLDP fell short of meeting its target for performance indicators "Number of private sector stakeholders involved in providing feedback to improve the procurement legal framework." CLDP had anticipated further engagement with and input from private sector on its cloud procurement workstream, which did not materialize for the reasons described below.

Finally, despite consistent engagement and follow ups with key stakeholders, CLDP failed to meet its FY24 targets for performance indicator "Number of GoP officials and private sector representatives trained in technology procurement and cybersecurity" due to continued rotation of Peru Compras and Secretariat for Government Digital Transformation (SGTD) officials. However, CLDP a technical session for the Peruvian and Dominican delegations on innovation in e-procurement on the margins of the INGP's annual conference. Moreover, the turnover in Peru Compras and SGTD also prevented CLDP from achieving its targets for performance indicator "Number of resources, procedures, policies, guidance, or tools developed to improve procurement of innovation and/or safeguard cybersecurity."

2.2 Summary of FY24 Results

- CLDP supported the organization of three roundtable dialogues on the draft procurement law that was under congressional review at the request of Peru's Ministry of Economy and Finance (MEF). The three roundtables highlighted major reforms in the draft procurement law focusing on integrity and sustainability, infrastructure procurements, and value-for-money with stakeholders from civil society, the private sector and across Peruvian government agencies. The roundtables were a critical part of the MEF's efforts to socialize the new procurement law and to collect key stakeholder input for the implementing regulations. Public consultation increases transparency, improves regulatory quality, and may help to enhance compliance.
- CLDP, in collaboration with Peru's Ministry of Economy and Finance and National Institute for the Defense of Competition and Protection of Intellectual Property, hosted a two-day workshop on best practices for preventing, detecting and investigating anti-competitive behavior in public procurement for procurement and competition officials in Lima, Peru. Experts from the U.S. Department of Justice's Antitrust Division, U.S. General Services Administration, and Organization for Economic Cooperation and Development shared strategies for strengthening cooperation between procurement and competitions authorities, offered tools to identify collusive patterns and irregularities in consortia and facilitated a practical exercise that allowed participants to analyze real-world scenarios.
- At the invitation of Peru's Contraloria, CLDP participated in a technical discussion on a draft public procurement bill with members of two congressional committees, economy and decentralization, and high-level officials from both the Ministry Economy and Finance (MEF) and the Contraloria. CLDP gave a presentation on international trends, best practices and lessons learned in procurement legislative reform. The presentation also identified areas where Peru's procurement bill was aligned with best practices and several specific areas for improvement. CLDP sponsored the participation of a governance specialist from the OECD, who provided an overview of OECD-specific resources and standards in integrity and procurement as Peru is currently pursuing OECD membership.
- CLDP held a two-day workshop on sustainable public procurement. Experts from the White House's Office of Federal Procurement Policy, U.S. General Services Administration, the OECD, and other regional procurement specialists shared best practices, strategies and tools to integrate sustainability principles throughout the public procurement lifecycle and provided recommendations for the planning, monitoring and evaluation of sustainable procurement policies to inform the development of Peru's new procurement regulations and the creation of a national sustainable public procurement action plan.

- Peru published its new procurement law in Peru’s Official Gazette. The new procurement law included over 20 CLDP recommendations and is a culmination of 20 virtual and 7 in-person technical sessions and public consultations with MEF/DGA and other government institutions, such as the Contraloria, private sector and civil society over the course of 4 years. CLDP recommendations adopted in the new law include value-based selection criteria, market research requirement, penalties for late payments to government vendors, authorized use of standard international engineering contracts (FIDIC, NEC) for infrastructure projects, contractor performance evaluation mechanisms, prohibition against anti-competitive practices, closed framework agreements, among others. The new law is in line with many international best practices and demonstrates a significant step forward in terms of transparency, efficiency, and accountability for Peru’s public procurement system.
- CLDP, in coordination with Peru’s National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI), conducted a two-day judicial training workshop on bid-rigging for judges, clerks, competition officials and contracting officers. Judges from the U.S. and Mexico and an attorney from the U.S. Department of Justice’s Antitrust Division delved into the legal and institutional frameworks and the judicial mechanisms that contribute to the effective enforcement and sanctioning of bid rigging in their respective jurisdictions and explored various aspects of judicial review and decision making in bid-rigging cases, including evidentiary issues, economic impact analysis, sanctions and remedies, comparison of civil and criminal cases, and the role of technology, among others. The workshop facilitated a productive dialogue and exchange on experiences and challenges based on real-world cases.
- CLDP facilitated the submission of two key instruments to Perus Supervisory Body for State Contracting (OSCE), both concerning workforce professionalization: a functional map and a standard competency matrix. These instruments define the critical skills necessary to accomplish a procurement function and will guide the training and evaluation of contracting officers, as well as support the implementation of OSCE’s upgraded certification framework for procurement officers, per the recommendation of the OECD Working Party for Leading Practitioners on Public Procurement.

CLDP “GOVERNMENT PROCUREMENT SUPPORT ACTIVITY” FY24 RESULTS¹

	INDICATOR	FY24 Cumulative	FY24 Targets
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¹ Please see Annex 1 for more detail

1	DR.2.4-4. Number of anticorruption measures proposed, adopted or implemented due to USG assistance, to include laws, policies, or procedures	21	2
2	DR. 2.4-1. Number of government officials receiving USG-supported anti-corruption training	Total	50
		169	
3	Number of private sector stakeholders involved in providing feedback to improve the procurement legal framework.	16	20
4	Number of GoP personnel, private sector, or civil society representatives trained on improving inclusivity and sustainability in public procurement (Output 4.2)	Total	25
		60	
5	Number of GoP officials and professors trained on the best practices as part of the professionalization program and the creation of IPTs (Output 3.1)	Total 34	25

6	Number of institutional resources created by GOP with USG assistance to inform best practices on procurement lifecycle, procurement professionalization, certification, PMUs and IPTs, etc.	2	2
7	Number of institutional resources created by GOP with USG assistance to inform best practices on sustainable and inclusive procurement	0	4
8	Number of GoP officials and private sector representatives trained in technology procurement and cybersecurity (Output 2.1)	4	100
9	Number of resources, procedures, policies, guidance, or tools developed to improve procurement of innovation and/or safeguard cybersecurity (Outcome 2)	0	2
10	Number of legal instruments drafted, proposed, or adopted with USG assistance designed to promote socioeconomic or environmental sustainability in the public procurement system (Outcome 1.2)	1	1

INDICATOR NARRATIVE:

CLDP updated the indicators accordingly. CLDP exceeded indicator targets for four of its indicators, and regarding cybersecurity programming, where CLDP did not meet targets, CLDP maintained contact with Peruvian agencies working in cybersecurity and continued to offer support despite agency changeovers. CLDP also developed a plan to utilize GSA expertise in order to support cybersecurity programming moving forward. Outside of ongoing support of the Greening Government Initiative, CLDP's plans to support further sustainable procurement programming in the new year, once further progress is made by the Multisectoral Commission for Sustainable Public Procurement. CLDP will continue to provide technical assistance to DGA on the regulations for the public procurement law and implementation of the new procurement law and regulations through trainings and the development of institutional resources.

Please see [Annex II](#) for indicator narratives for each of CLDP's Indicators.

3. Quarter 4 Results and Progress

Implementation Context:

CLDP successfully implemented four out of four planned activities during the fourth quarter of FY24. CLDP conducted one in person workshop on competition and the detection and adjudication of bid-rigging in public procurement. CLDP held the workshop in collaboration with INDECOPI and sponsored the attendance of several experts from the Department of Justice as well as a Magistrate from Mexico. CLDP also held a virtual workshop with OSCE to validate the functional map and standard competency matrix for the procurement officers, which will contribute to the implementation of the upgraded procurement officer certification program. CLDP met with a litany of GOP stakeholders to develop and seek approval of a comprehensive workplan of activities to be implemented under the extension of the Government Procurement Support Activity. In addition to these activities, CLDP facilitated the preliminary review by local subject matter expert of MEF/DGA's draft regulations for the new public procurement law to raise any red flags prior to publication for public comment.

3.1 Progress Narrative

During the fourth quarter of FY24, CLDP's activities focused on aligning an array of GOP bodies with international best practices, whether in regard to professionalization, anticompetitive practices in public procurement, or the new public procurement regulation. CLDP was able to conduct two workshops on professionalization and bid-rigging as well as support a preliminary review of the procurement regulation during a short period of time before the publication for public comment. CLDP also implemented a virtual workshop with OSCE on the functional tools generated for procurement officers. In addition, CLDP met with SGTD, Peru Compras, and DGA in order to develop a clear and effective workplan for the remaining life of CLDP's agreement.

3.2 Implementation Status

Planned Activities:

- In July, CLDP, in collaboration with Peru's State Contracting Supervisory Body, CLDP will host a virtual workshop to validate the functional map and standard competency matrix for the procurement officers, which will contribute to the implementation of the upgraded procurement officer certification program.
- In August, CLDP will host a workshop with INDECOPI concerning the role of the judiciary in countering bid-rigging in public procurement.
- In the fourth quarter, CLDP will facilitate the expert review of relevant sections of MEF/DGA's draft regulations for the new public procurement law to align with international best practices and mitigate problematic provisions included in the Peru's public procurement law.
- During the next quarter, CLDP will meet with relevant GOP stakeholders to develop a comprehensive workplan of activities to be implemented under the extension of the Government Procurement Support Activity.

Achieved Activities:

Peru: CLDP Supports Professionalization of Procurement Workforce

On August 23, CLDP facilitated the submission of two key instruments, namely a functional map and a standard competency matrix, to Peru's Supervisory Body for State Contracting (OSCE) to support its efforts to build a skilled procurement workforce. These instruments, which define the critical skills necessary to accomplish a given procurement function, will guide the training and evaluation of contracting officers and support the implementation of OSCE's upgraded certification framework for procurement officers, per the OECD Working Party for Leading Practitioners on Public Procurement's recommendation. This is part of CLDP's multi-phase assistance to professionalize the procurement workforce and ensure an effective and sustainable implementation of Peru's latest procurement reforms.

Peru: CLDP Holds Judicial Capacity Workshop on Bid-Rigging

On August 22-23, CLDP, in coordination with Peru's National Institute for the Defense of Competition and Protection of Intellectual Property (INDECOPI), conducted a two-day judicial training workshop on bid-rigging for judges, clerks, competition officials and contracting officers. Judges from the U.S. and Mexico and an attorney from the U.S. Department of Justice's Antitrust Division, delved into the legal and institutional frameworks and the judicial mechanisms that contribute to the effective enforcement and sanctioning of bid rigging in their respective jurisdictions and explored various aspects of judicial review and decision making in bid-rigging cases, including evidentiary issues, economic impact analysis, sanctions and remedies, comparison of civil and criminal cases, and the role of technology, among others. The workshop facilitated a productive dialogue and exchange on experiences and challenges based on real-world cases. This workshop is part of CLDP's multi-phase assistance to help increase the transparency and competition in Peru's public procurement system.

Peru: CLDP Conducts Preliminary Review of Draft Procurement Regulation

In response to an urgent request from Peru’s Ministry of Economy and Finance, CLDP facilitated a review of the draft implementing procurement regulation by a local subject matter expert to raise any red flags to MEF prior its publication of the regulations for public comment. The review focused on compliance with Pilar 1. Legislative, Regulatory and Policy Framework of the OECD’s Methodology for Assessing Public Procurement Systems (MAPS) and previous CLDP recommendations on the new procurement law. CLDP will continue to support MEF in finalizing the new procurement regulations, including by organizing a roundtable discussion with the three procurement agencies in FY25Q1.

CLDP “GOVERNMENT PROCUREMENT SUPPORT ACTIVITY” Q4 RESULTS

	INDICATOR	FY24 Q4			FY24 Targets
1	DR.2.4-4. Number of anticorruption measures proposed, adopted or implemented due to USG assistance, to include laws, policies, or procedures	0			2
2	DR. 2.4-1. Number of government officials receiving USG-supported anti-corruption training	M	F	Total	50
		15	10	25	
3	Number of private sector stakeholders involved in providing feedback to improve the procurement legal framework.	0			20
4	Number of GoP personnel, private sector, or civil society representatives trained on improving inclusivity and sustainability in public procurement (Output 4.2)	M	F	Total	25
		1	6	7	
5	Number of GoP officials and professors trained on the best practices as part of the professionalization program and the creation of IPTs (Output 3.1)	M	F	Total	25
		0	0	0	
6	Number of institutional resources created by GOP with USG assistance to inform best practices on procurement lifecycle, procurement professionalization, certification, PMUs and IPTs, etc.	2			2
7	Number of institutional resources created by GOP with USG assistance to inform best practices on sustainable and inclusive procurement	0			4

		M	F	Total	
8	Number of GoP officials and private sector representatives trained in technology procurement and cybersecurity (Output 2.1)	0	0	0	100
9	Number of resources, procedures, policies, guidance, or tools developed to improve procurement of innovation and/or safeguard cybersecurity (Outcome 2)	0			2
10	Number of legal instruments drafted, proposed, or adopted with USG assistance designed to promote socioeconomic or environmental sustainability in the public procurement system (Outcome 1.2)	0			1

INDICATOR NARRATIVE (FY24 Q4):

CLDP updated the indicators accordingly. CLDP exceeded indicator targets for four of its indicators, and regarding cybersecurity programming, where CLDP did not meet targets, CLDP maintained contact with Peruvian agencies working in cybersecurity and continued to offer support despite agency changeovers. CLDP also developed a plan to utilize GSA expertise in order to support cybersecurity programming moving forward. Outside of ongoing support of the Greening Government Initiative, CLDP’s plans to support further sustainable procurement programming in the new year, if the political will presents itself. CLDP will continue to provide technical assistance to DGA on the regulations for the public procurement law.

Please see [Annex II](#) for indicator narratives for each of CLDP’s Indicators.

Implementation Challenges

High turnover in SGTD and Peru Compras resulted in significant barriers to pursuing programming in cloud procurement and cybersecurity. Additionally, DGA’s lack of responsiveness disabled projects and regularly left CLDP with extremely short turnaround times for deliverables and program planning.

4. CROSS-CUTTING THEMES: STAKEHOLDER PARTICIPATION AND INVOLVEMENT

ONGOING STAKEHOLDER ENGAGEMENT

Overall, in FY24, CLDP engaged with a wide range of stakeholders across its various workstreams:

1. Legal procurement reform:

- Ministerio de Economía y Finanzas, Dirección General de Abastecimiento

a. **October roundtables on the legal procurement reform the following actors:**

Private Sector Stakeholders included, among others:

- Asociación de Productores de Cemento
- Cámara de Comercio de Lima – CCL
- CAPECO
- Empresa Dohwa Engineering Co. Ltd.
- AFIN
- GLEEDS Del Peru SAC
- CONFIEP

Civil Society Organizations, included, among others:

- Asociación Civil Transparencia
- Proetica
- Proyecto de Inversión Pública Transparente de USAID
- Proyecto de Infraestructura Natural para la Seguridad Hídrica
- Sociedad Peruana de Derecho Ambiental

Government Institutions included, among others:

- Presidencia del Consejo de Ministros
- Ministerio de Economía y Finanzas
- Ministerio de Comercio Exterior y Turismo
- Ministerio de Educación
- Ministerio de Energía y Minas
- Ministerio de Salud
- Ministerio de Transportes y Comunicaciones
- Contraloría General de la República
- Ministerio de Vivienda, Construcción y Saneamiento
- Programa Nacional de Infraestructura Educativa – PRONIED
- Programa Nacional de Inversiones en Salud – PRONIS
- Proyecto Especial de Infraestructura de Transporte Descentralizado – PROVIAS NACIONAL
- Proyecto Especial de Inversión Pública Escuelas Bicentenario

b. **Contraloría roundtable discussion on the procurement law with Congress**

- Contraloría General de la República
- Ministerio de Economía y Finanzas, Dirección General de Abastecimiento
- Comisión de Descentralización del Congreso
- Comisión de Economía del Congreso

2. Professionalization

- Ministerio de Economía y Finanzas
 - Dirección General de Abastecimiento (DGA)
 - Organismo Supervisor de Contracciones del Estado (OSCE)

3. Sustainable Procurement

- Ministerio de Economía y Finanzas
 - Dirección General de Abastecimiento (DGA)
 - Organismo Supervisor de Contracciones del Estado (OSCE)
 - Perú Compras
- Ministerio de Ambiente

4. Competition

- Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (INDECOPI)
- Ministerio de Economía y Finanzas
 - Dirección General de Abastecimiento (DGA)
 - Organismo Supervisor de Contracciones del Estado (OSCE)
 - Perú Compras
- Poder Judicial

5. Inter-American Network for Government Procurement Annual Conference:

- Ministerio de Economía y Finanzas
 - Dirección General de Abastecimiento (DGA)
 - Organismo Supervisor de Contracciones del Estado (OSCE)
- Contraloría General de la Republica

6. Digital Transformation

Government institutions:

- Perú Compras
- Secretaria de Gobierno y Transformación Digital (SGTD)

Private sector:

- Amcham
- Cloud Service Providers – Microsoft, Google, Amazon Web Services and Oracle

GENDER AND VULNERABLE POPULATIONS

CLDP considers that improving procurement processes can be a tool for promoting gender equality and inclusivity. The reform of the public procurement law in line with international standards will stimulate greater competition and in-turn create more opportunities for women-owned businesses to access government contracts. CLDP also considered the emergency

procurement programming as a high priority to addressing the needs of vulnerable populations and continues to emphasize to the Government of Peru the importance of this topic area for trainings and reforms.

7. LESSONS LEARNED

Quarter 1:

Delays in the approval of the new procurement bill delayed DGA's timeline for the finalization of the draft implementing regulation. CLDP identified a qualified expert, however, without a draft of the new regulation from DGA, CLDP was unable to award the consultancy contract and commence its review. DGA's prioritization of the drafting of new regulations delayed the finalization of the annual workplan. Moreover, leadership changes and delays in the onboarding of the new cloud services framework agreement team at Peru Compras paired with SGTD's unresponsiveness delayed progress on cloud procurement and cybersecurity efforts.

Success Story:

In Q1, CLDP supported the organization of three roundtable dialogues on the draft procurement law that was under congressional review at the request of Peru's Ministry of Economy and Finance (MEF). The three roundtables highlighted major reforms in the draft procurement law focusing on integrity and sustainability, infrastructure procurements, and value-for-money with stakeholders from civil society, the private sector and across Peruvian government agencies. The roundtables were a critical part of the MEF's efforts to socialize the new procurement law and to collect key stakeholder input for the implementing regulations. Public consultation increases transparency, improves regulatory quality, and may help to enhance compliance.

Quarter 2:

Delays in the congressional review and approval of the new procurement bill postponed DGA's timeline for the finalization of the draft implementing regulations and therefore, CLDP's review of such regulations. Moreover, leadership changes in Peru Compras and SGTD continued to delay progress on the digital transformation objective.

Success Story:

In Q2, at the invitation of Peru's Contraloria, CLDP participated in a technical discussion on a draft public procurement bill with members of two congressional committees, economy and decentralization, and high-level officials from both the Ministry Economy and Finance (MEF) and the Contraloria. CLDP gave a presentation on international trends, best practices and lessons learned in procurement legislative reform. The presentation also identified areas where Peru's procurement bill was aligned with best practices and several specific areas for improvement. CLDP sponsored the participation of a governance specialist from the OECD, who provided an overview

of OECD-specific resources and standards in integrity and procurement as Peru is currently pursuing OECD membership.

Quarter 3:

Delays in the approval of the new procurement law further postponed DGA’s timeline for having a draft of the new implementing regulations and therefore, CLDP’s review of such regulations. Moreover, leadership changes in Peru Compras and SGTD continued to delay progress on the digital transformation objective. As a result, CLDP has targeted increased programming on other objectives.

Success Story:

In Q3, CLDP held a two-day workshop on sustainable public procurement. Experts from the White House’s Office of Federal Procurement Policy, U.S. General Services Administration, the OECD, and other regional procurement specialists shared best practices, strategies and tools to integrate sustainability principles throughout the public procurement lifecycle and provided recommendations for the planning, monitoring and evaluation of sustainable procurement policies to inform the development of Peru’s new procurement regulations and the creation of a national sustainable public procurement action plan.

Quarter 4:

High turnover in Peru Compras and SGTD continued to create significant barriers to our programming on cloud procurement and cybersecurity. Additionally, DGA’s lack of responsiveness, due to its limited bandwidth and tight deadlines for the procurement regulations, left CLDP with extremely short turnaround times for deliverables and delayed CLDP’s program planning.

Success Story:

In Q4, CLDP facilitated the submission of two key instruments to Perus Supervisory Body for State Contracting (OSCE), both concerning workforce professionalization: a functional map and a standard competency matrix. These instruments define the critical skills necessary to accomplish a procurement function and will guide the training and evaluation of contracting officers, as well as support the implementation of OSCE’s upgraded certification framework for procurement officers, per the recommendation of the OECD Working Party for Leading Practitioners on Public Procurement. In addition to the development of these instruments, CLDP supported a virtual workshop validating the tools and utilizing feedback.

8. BUDGET

FY24 Q4	
Activity	Date

OSCE Functional Tools Virtual Workshop	July 24, 2024
Judicial Capacity Building Workshop INDECOPI	August 21-22, 2024
CLDP Supports Regulation Development	August 2024
Total July-September Expenses	\$346,685.52
Total FY24 Expenses	\$722,576.36

9. PLANNED ACTIVITIES FOR NEXT QUARTER INCLUDING UPCOMING EVENTS

Next quarter, CLDP plans to implement the following activities:

- Submission of CLDP's targeted comments and recommendations on the new Procurement Regulation
- Technical Session on Procurement Regulation with DGA, OSCE and Peru Compras
- Virtual Technical Session with Peru Compras on Cloud Procurement
- Key stakeholder meetings to validate the updated workplan

❖ [CLDP FY24 Q4 Program Materials](#)

**Annex I: PLANTILLA PARA REPORTE ANUAL DE INDICADORES
PPR y PMP**

Datos del indicador						
Código del indicador:	DR. 2.4-1.					
Nombre del indicador:(1)	Number of government officials receiving USG-supported anti-corruption training					
Tipo de indicador:	Standard					
Valores del indicador(2)	Fecha de Línea de Base (MM/AAAA)	Valor Línea de Base	FY 2024 Meta	FY 2024 Resultado	FY 2025 Meta	FY 2026 Meta
	<i>09/2020</i>	<i>0</i>	<i>50</i>	<i>169</i>	<i>50</i>	<i>NA</i>
Desagregaciones: <i>Anote debajo todas las desagregaciones del indicador consideradas en el DIS. Agregue más filas de ser necesario. Si es un indicador estándar, deben incluirse todas las desagregaciones consideradas en el PIRS del indicador. Enlaces FY2023: La Lista de indicadores (MIL) Y PIRS del año fiscal 2023 están disponibles en este folder: Standard Indicators Google Folder</i>						
(3)						
Desagregación #1. Number of Men	<i>09/2020</i>	<i>0</i>	<i>25</i>	<i>87</i>	<i>25</i>	<i>NA</i>
Desagregación #1. Number of Women	<i>09/2020</i>	<i>0</i>	<i>25</i>	<i>82</i>	<i>25</i>	<i>NA</i>
Objetivo de la Actividad o Mecanismo:	CLDP Outcome 1: Improved transparency, effectiveness, efficiency, and competition features in the Peruvian procurement lifecycle					
Fecha del último análisis de calidad de datos: (4)	<i>10/2024</i>					
Narrativa						
	This indicator directly contributes to the activity result to improve transparency, effectiveness, efficiency, and competition features in the Peruvian procurement lifecycle which ultimately will result in the overall objective USAID Peru IR 2.1: Government risk mitigation systems strengthened. CLDP’s anti-corruption training on public procurement topics provides Peruvian government officials with the skills and knowledge needed to reduce corruption risks in the procurement process. For example, CLDP’s training on improving the legal and policy frameworks for					

	procurement contributes to the inclusion of best practices in draft laws, regulations, and official government guidance. These best practices contribute to greater oversight, transparency, and integrity in all stages of the procurement lifecycle. CLDP's training provides government officials with the practical skills and knowledge needed to manage procurement processes that maximize quality and value while minimizing risks, including financial, economic, performance and corruption risks.
Análisis del desempeño actual y futuro del indicador Cómo se relaciona el indicador con el Resultado esperado de la Actividad <i>(Mínimo 500 caracteres, máximo 2000 caracteres)</i> <i>(Mínimo 1000 caracteres, máximo 4000 caracteres)</i> (5)	CLDP has achieved the anti-corruption training targets of fiscal year 2024 (FY24). CLDP conducted a variety of procurement and anticorruption procurement programming throughout FY24, including bringing a Peruvian delegation to the RICQ international conference, working with a variety of agencies including the Peruvian Comptroller's office, Workshop on Anti-Bid Rigging and combatting anti-competitive procurement practices, and OECD Maps workshops focused on aligning Peru's procurement system to international standards.
	In fiscal year 2025 (FY25), CLDP will continue to expand on different topics related to anti-corruption including integrity, anti-competitive behaviors and collusion, market studies, framework agreements, and training on cybersecurity and cloud procurement. The subsequent trainings in FY25 will also be informed by the OECD Road Map for Peru which focus on integrity. The training will also continue to contribute to CLDP's activity result to improve transparency, effectiveness, efficiency, and competition features in the Peruvian procurement lifecycle.
Explicaciones	
Desviación <i>(Límite de 4000 caracteres - mínimo 500 caracteres)</i> (6)	Anti-corruption training encompassed an array of workstreams, including many areas of stemming out of the international standards such as the anti-bid rigging workshop. The range of requested topics resulted in a higher number of individuals trained than planned in the target indicator. CLDP regularly exceeds anticorruption training targets in its procurement programming. Additional support has been requested in areas of OECD interest. Therefore, although targets were achieved, CLDP continued to implement trainings on key procurement topics for this indicator in response the counterpart's needs and priorities.

Datos del indicador	
Código del indicador:	DR.2.4-4
Nombre del indicador:(1)	Number of anticorruption measures proposed, adopted or implemented due to USG assistance, to include laws, policies, or procedures
Tipo de indicador:	Standard

Valores del indicador(2)	Fecha de Línea de Base (MM/AAAA)	Valor Línea de Base	FY 2024 Meta	FY 2024 Resultado	FY 2025 Meta	FY 2026 Meta
	09/2020	0	2	21	2	NA
Desagregaciones: <i>Anote debajo todas las desagregaciones del indicador consideradas en el DIS. Agregue más filas de ser necesario. Si es un indicador estándar, deben incluirse todas las desagregaciones consideradas en el PIRS del indicador. Enlaces FY2022: La Lista de indicadores (MIL) Y PIRS del año fiscal 2023 están disponibles en este folder: Standard Indicators Google Folder</i>						
(3)						
Desagregación #1: <i>Proposed</i>	09/2020	0		21	---	---
Desagregación #2: <i>Adopted</i>	09/2020	0		21	---	---
Desagregación #3: <i>Implemented</i>	09/2020	0			---	---
Objetivo de la Actividad o Mecanismo:	CLDP Outcome 1: Improved transparency, effectiveness, efficiency, and competition features in the Peruvian procurement lifecycle					
Fecha del último análisis de calidad de datos: (4)	10/2024					
Narrativa						
Cómo se relaciona el indicador con el Resultado esperado de la Actividad (Mínimo 500 caracteres, máximo 2000 caracteres)	This indicator directly contributes to the activity result to improve transparency, effectiveness, efficiency, and competition features in the Peruvian procurement lifecycle which ultimately will result in the overall objective USAID Peru IR 2.1: Government risk mitigation systems strengthened. For this Activity, CLDP's technical assistance provides the Peruvian government with best practices that are included in new measures that are proposed, drafted, or implemented to reduce corruption risks in the procurement lifecycle. These measures include laws, regulations and official policies or guidelines that apply to every level of the Peruvian government. These best practices contribute to greater oversight, transparency and integrity in all stages of the procurement lifecycle.					
Análisis del desempeño actual y futuro del indicador (Mínimo 1000 caracteres, máximo 4000 caracteres) (5)	In FY24, Peru published its new procurement law. The new procurement law included over 20 CLDP recommendations and is a culmination of 20 virtual and 7 in-person technical sessions and public consultations with MEF/DGA and other government institutions, such as the Contraloria, private sector and civil society over the course of 4 years. CLDP recommendations adopted in the new law include value-based selection criteria, market research requirement, penalties for late payments to government vendors, authorized use of standard international engineering contracts (FIDIC, NEC) for infrastructure projects, contractor performance evaluation mechanisms, prohibition against anti-competitive practices, closed framework agreements, among others. The new law is in line with many international best practices and demonstrates a significant step forward in terms of transparency, efficiency, and accountability for Peru's public procurement system.					

	<p>In fiscal year 2025 (FY25), CLDP will continue to support anti-corruption measures proposed, adopted, and implemented by government counterparts. CLDP will help draft guidebooks, toolkits, and provide recommendations for topics as prioritized by counterparts to assist in the implementation of new procurement reforms. CLDP will also continue to support the DGA on implementing regulations in the new fiscal year.</p>
Explicaciones	
<p>Desviación (Límite de 4000 caracteres - mínimo 500 caracteres) (6)</p>	<p>CLDP continues to provide support to the regulation of the procurement legislation. CLDP is currently providing frequent consultative services for the regulation to the law and expects to record an increase in this indicator in early FY25. CLDP is actively responding to the MEF's needs and strategy regarding the regulation. CLDP was able to exceed targets for this indicator this year because the publication of the law was the culmination of years of consultations with the government along with political will from the government of Peru.</p> <p>CLDP has continued work on various topics that it expects the MEF to adopt officially, including two new guidebooks on public procurement. Despite the large deviation, CLDP will continue to work on legal instruments given the intensive needs presented by MEF.</p>

Annex II: Indicator Narratives

Indicator	Indicator Description	Total s	Indicator Narrative	Deviation Narrative
DR.2.4-1	Number of government officials receiving USG-supported anti-corruption training	169	CLDP has achieved the anti-corruption training targets of fiscal year 2024 (FY24). CLDP conducted a variety of procurement and anticorruption procurement programming throughout FY24, including bringing a Peruvian delegation to the RICQ international conference, working with a variety of agencies including the Peruvian Comptroller's office, Workshop on Anti-Bid Rigging and combatting anti-competitive procurement practices, and OECD Maps workshops focused on aligning Peru's procurement system to international standards.	Anti-corruption training encompassed an array of workstreams, including many areas of stemming out of the international standards such as the anti-bid rigging workshop. The range of requested topics resulted in a higher number of individuals trained than planned in the target indicator.

<p>DR.2.4-21-CUST</p>	<p>Number of private sector stakeholders involved in providing feedback to improve the procurement legal framework</p>	<p>16</p>	<p>CLDP was able to successfully hold a series of three roundtables soliciting feedback from the private sector on the draft procurement law when it was under congressional review. The roundtables allowed for the MEF to collect key stakeholder input for the implementing regulations.</p>	<p>Though CLDP was able to engage the private sector in the early quarters, more recently, CLDP has found that the private sector lacks the desire to communicate input even when it is solicited, both by CLDP and the government. During the more recent period of feedback of the regulation, MEF complains that they have made themselves available and the private sector has given no feedback. CLDP is working with AmCham and private sector experts to facilitate further dialogue. CLDP plans to support further formal consultations with Private Sector stakeholders in early FY25.</p>
<p>DR.2.4-31-CUST</p>	<p>Number of GOP officials and professors trained on best practices as part of the professionalization program for procurement personnel and the creation of IPTs.</p>	<p>34</p>	<p>CLDP has achieved the professionalization training targets of fiscal year 2024 (FY24). CLDP worked with a subject matter expert to help OSCE build a strategy map for professionalization. CLDP also put on a workshop with the Peruvian inter-agency involved in procurement about implementing this strategy. CLDP also brought Peruvian officials to events focused on Professionalization at the RICQ conference and put on side events with key experts on the topic.</p>	<p>Involving multiple Peruvian agencies in the "Mapeo de Funciones" allowed CLDP to exceed its targets of professionalization training for FY24.</p>

<p>DR.2.4-4</p>	<p>Number of anti-corruption measures proposed, adopted or implemented due to USG assistance, to include laws, policies, or procedures</p>	<p>21</p>	<p>In FY24, Peru published its new procurement law. The new procurement law included over 20 CLDP recommendations and is a culmination of 20 virtual and 7 in-person technical sessions and public consultations with MEF/DGA and other government institutions, such as the Contraloria, private sector and civil society over the course of 4 years. CLDP recommendations adopted in the new law include value-based selection criteria, market research requirement, penalties for late payments to government vendors, authorized use of standard international engineering contracts (FIDIC, NEC) for infrastructure projects, contractor performance evaluation mechanisms, prohibition against anti-competitive practices, closed framework agreements, among others. The new law is in line with many international best practices and demonstrates a significant step forward in terms of transparency, efficiency, and accountability for Peru’s public procurement system.</p>	<p>CLDP was able to exceed targets for this indicator this year because the publication of the law was the culmination of years of consultations with the government along with political will from the government of Peru.</p>
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<p>DR.2.4-54-CUST</p>	<p>Number of legal instruments drafted, proposed, or adopted with USG assistance designed to promote socioeconomic or environmental sustainability in the public procurement system</p>	<p>1</p>	<p>The procurement reform legislation was adopted in Peru which allowed for legal instruments to pursue sustainable procurement policies. CLDP assistance led to incorporation of sustainability principles in line with international best practices.</p>	<p>There was no deviation.</p>
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<u>DR.2.4-55-</u> <u>CUST</u>	Number of GoP officials and private sector representatives trained in technology procurement and cybersecurity	4	CLDP maintained contact with Peruvian agencies working in cybersecurity and continued to offer support despite agency changeovers.	Due to persisting agency changeover, lack of interagency collaboration, and more pressing matters that concerned each agency, CLDP found that developing cybersecurity trainings would have been an ineffective use of funds, given the lack of political will, the inability of each agency to articulate a clear gap of knowledge or training, and the uncertainty around how the procurement regulations will be implemented. Now that the regulation is soon to be implemented, CLDP looks forward to meeting Peru's cybersecurity concerns in line with OECD and international best practices.
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<p>DR.2.4 -56-CUST</p>	<p>Number of resources, procedures, policies, guidance, or tools developed to improve procurement of innovation and/or safeguard cybersecurity</p>	<p>0</p>	<p>CLDP maintained contact with Peruvian agencies working in cybersecurity and continued to offer support despite agency changeovers.</p>	<p>Due to constant agency changeover, CLDP was not able to develop additional cybersecurity resources with the government but has maintained contact with relevant players and expects to gain more traction in this area in FY25 due to the passage of the procurement reform.</p>
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<p>DR.2.4 -57-CUST</p>	<p>Number of institutional resources created or adopted by GoP with USG assistance to inform best practices on sustainable and inclusive procurement</p>	<p>0</p>	<p>This year, CLDP assisted in sustainable procurement training but did not draft any specific resources. However, it did assist the government to create a working group in a multi-agency workshop regarding Peru's circular economy and waste reduction strategies.</p>	<p>Due to priority of the adoption on the draft legislation, CLDP decided to focus resources on the law and regulation which in effect provide more opportunities to increase institutional resources in this indicator in the future. There was very little political will until recently to tackle sustainable procurement policies until after the procurement reform legislation passed. CLDP expects to be able to contribute to more resources on sustainable procurement while assisting with the new regulations to the procurement reform. CLDP plans to assist with legal instruments designed to promote socioeconomic and environmental sustainability in FY25.</p>
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<p>DR.2.4 -58-CUST</p>	<p>Number of institutional resources created and/or adopted by GOP with USG assistance to inform best practices on procurement lifecycle, technology procurement, cybersecurity, procurement professionalization, certification, PMUs and IPTs, etc.</p>	<p>2</p>	<p>CLDP facilitated the submission of two key instruments to OSCE, both concerning workforce professionalization. One was a functional map and the other was a standard competency matrix. These instruments defined the critical skills necessary to accomplish a procurement function, and will guide the training and evaluation of contracting officers, as well as support the implementation of OSCE’s upgraded certification framework for procurement officers, per the recommendation of the OECD Working Party for Leading Practitioners on Public Procurement.</p>	<p>No deviation</p>
<p>DR.2.4 -59-CUST</p>	<p>Number of GoP personnel, private sector representatives participating in CLDP activities on improving inclusivity and sustainability in public procurement</p>	<p>60</p>	<p>CLDP trained GoP personnel on sustainability in public procurement through sponsoring events with the White House Council of Environmental Quality Greening Government Initiative events. CLDP sponsored a key international expert from the White House Office of Federal Procurement Policy to speak to Peruvian delegates as the keynote speaker at the RICQ Procurement Conference. CLDP held a workshop on sustainable procurement in June, and brought key experts from the White House and the General Services Administration who are implementing green procurement policies and regulations in the United States, conducting an in-depth workshop with Peruvian MEF and MINAM.</p>	<p>The variety of events and trainings allowed for CLDP to exceed its training targets in these areas for FY24. In FY25, CLDP will still seek to pursue programming related to sustainable procurement given the ongoing resolution of sustainable procurement topics within GOP bodies and the new regulation.</p>