

Conference on Long Term Vision and Strategy for
the 21st Century

KDI – World Bank
Ministry of Planning and Budget

Governance and conflict resolution: The National Accord of Peru

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Seoul, 4-5 Dec. 2006

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Peru in South America



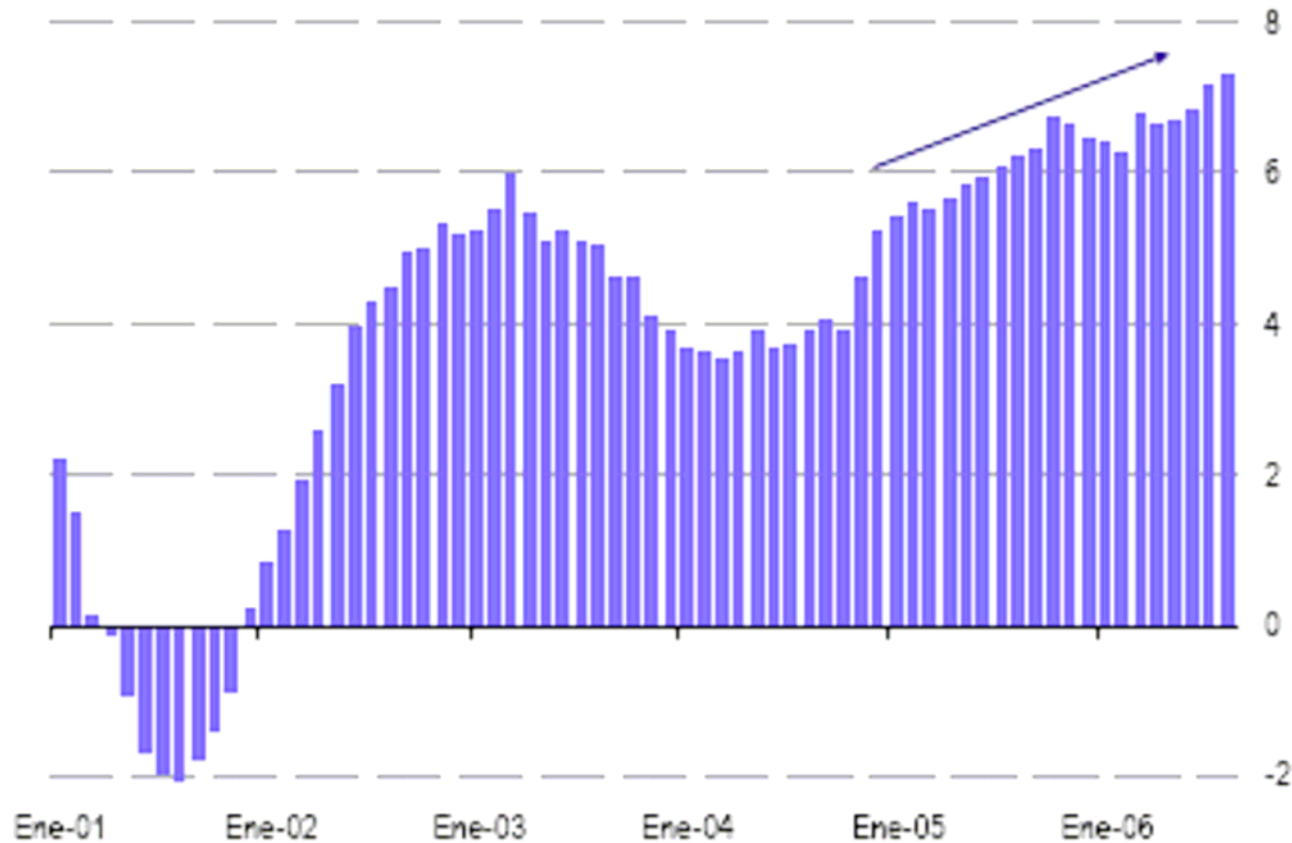
Peru:

World Bank Basic Indicators

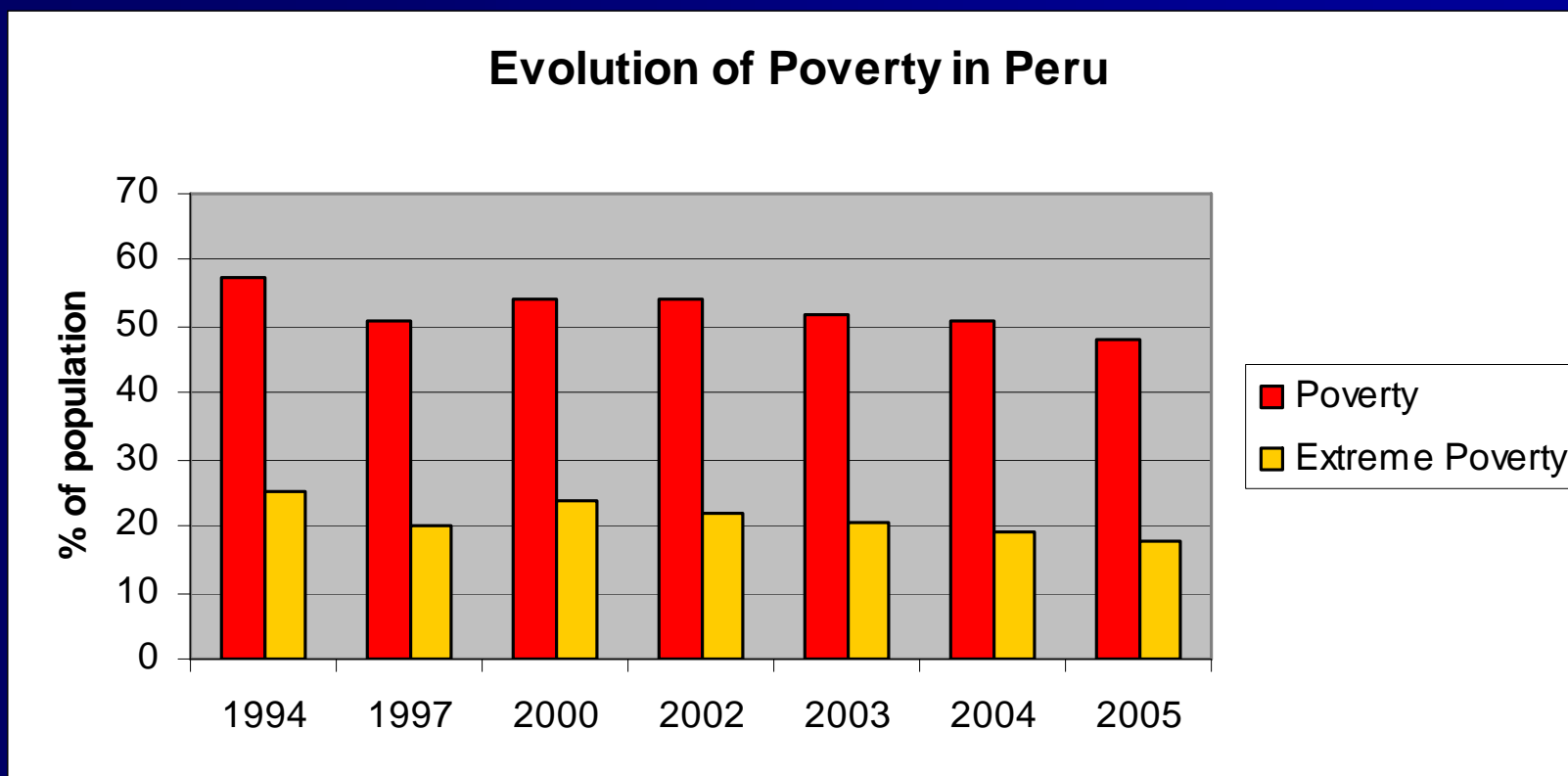
GDP (Current US Dollars – Billions)	78.4
GDP (Annual growth – 2005)	6.7
GNI Per Capita (Current US Dollars)	2,610
Inflation (annual growth -2005)	3.4
Population (in Millions)	28
Population Growth (in Annual %)	1.5
School enrollment, Primary (% net)	97.1
External Debt (% of GNI)	48
Surface (Square Km. Thousands)	1,285.2

The economy: recent history

GDP Growth (12 months average, in %) 2001-2006

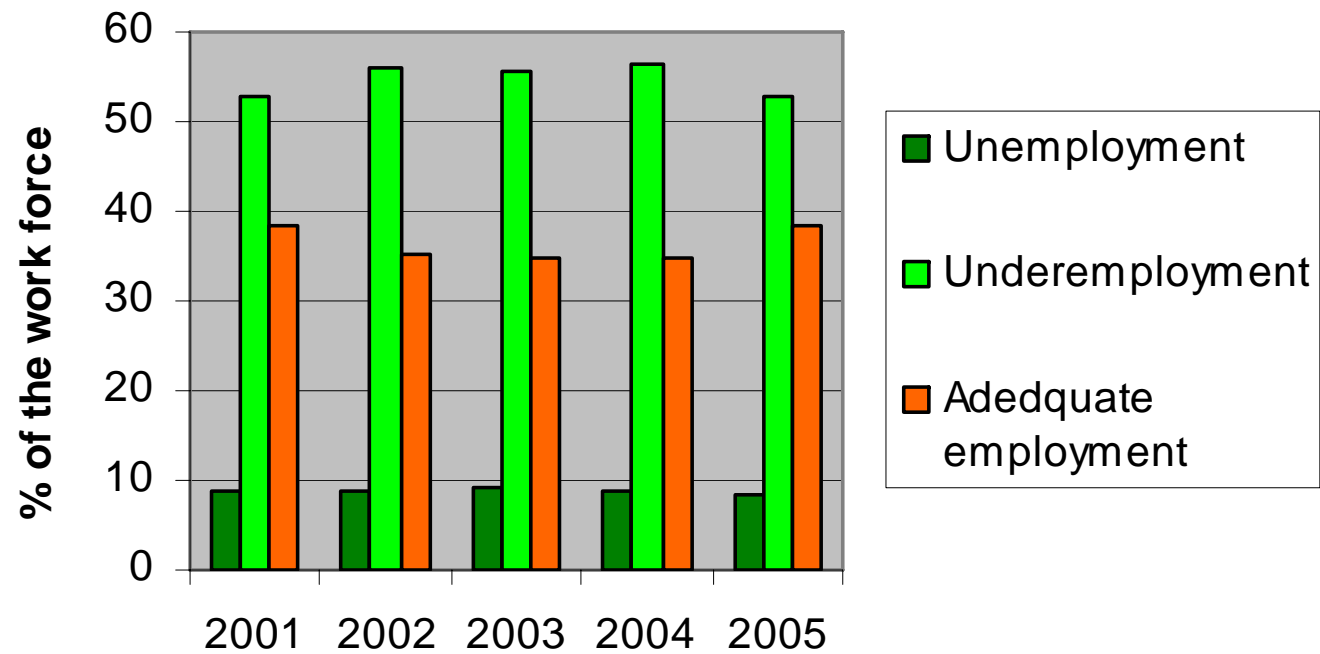


Social indicators: Poverty

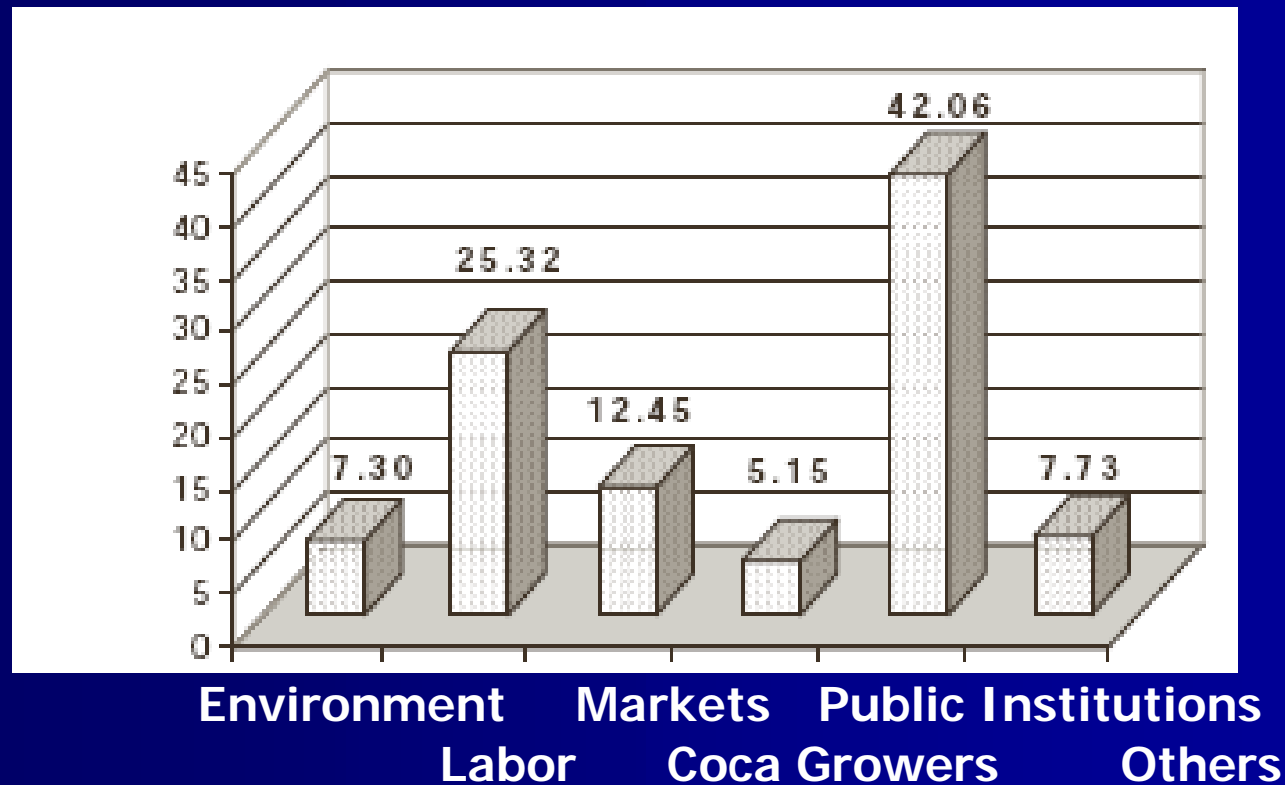


Social indicators: Employment

Employment evolution 2001-2005



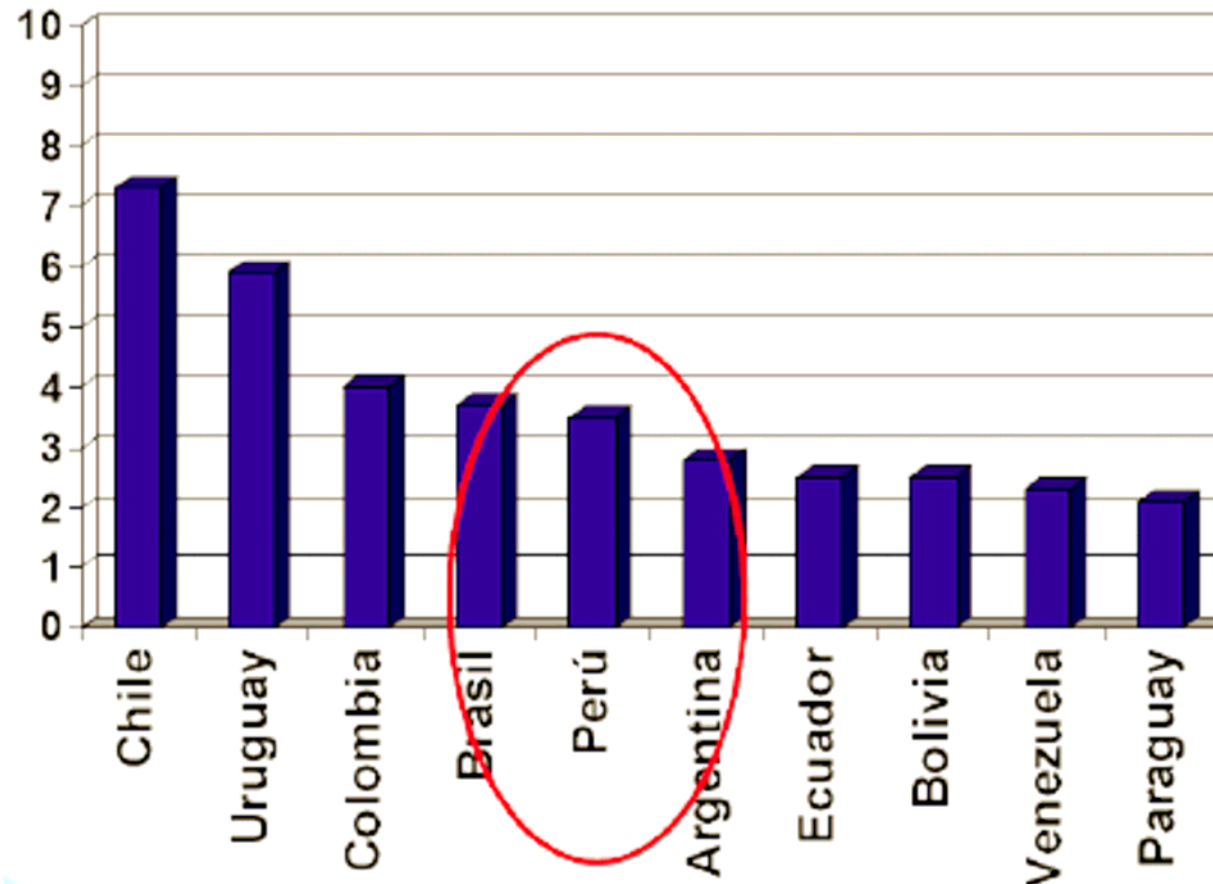
Social Conflicts in Peru (2004-2005)



Source: Pizarro, Saito, Trelles, DESCO - 2005

Perception of Corruption in Latin America

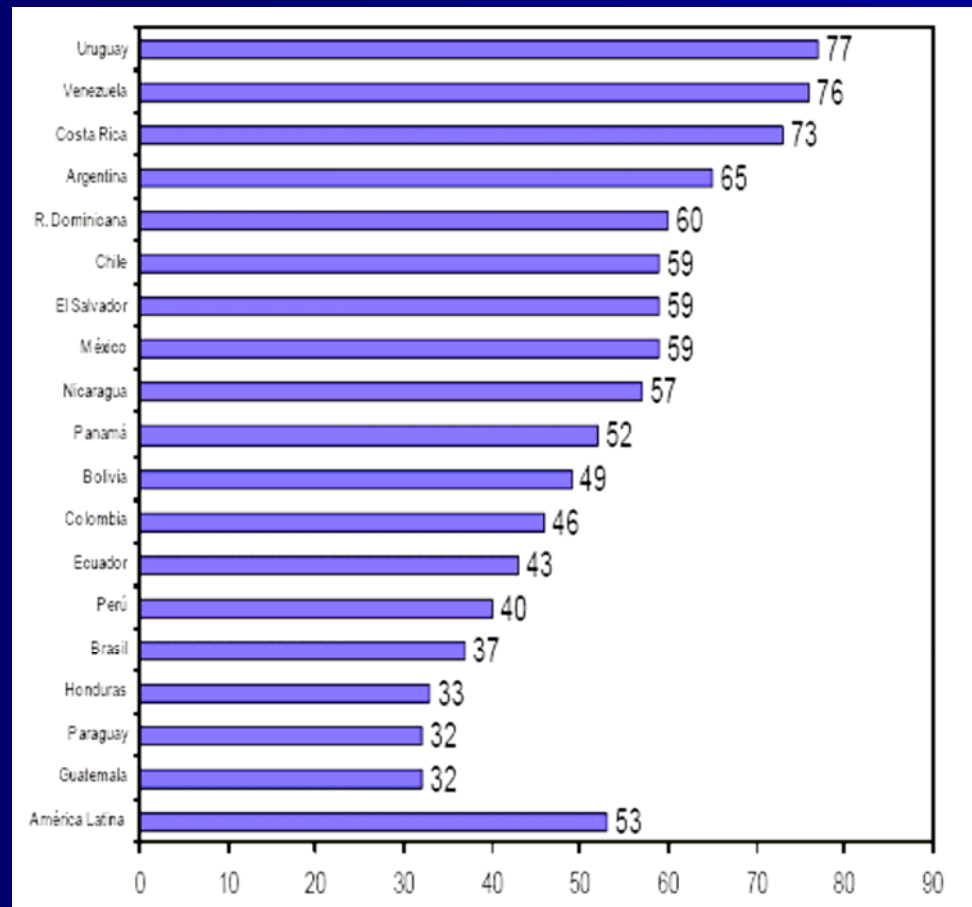
(10 no corruption, 0 full corruption)



Source: International Transparency - 2005

Support for democracy in Latin America – Peru=40

(100 full support, 0 no support)

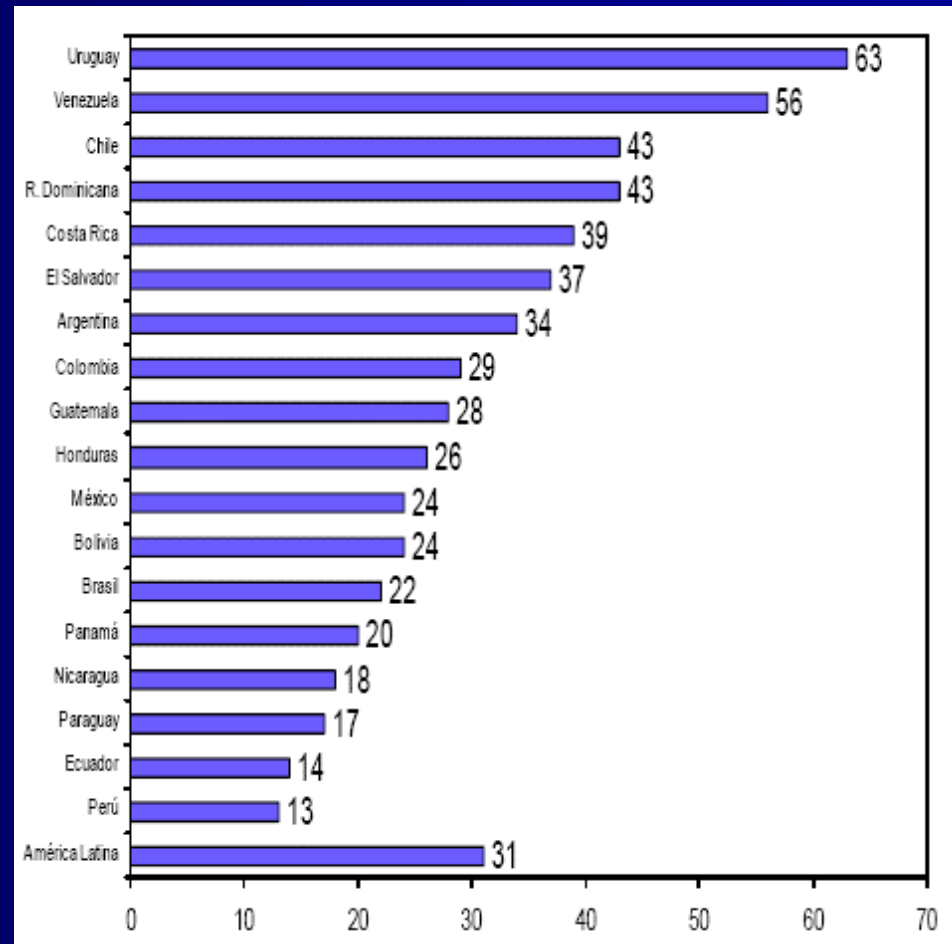


Source: Latinobarometro – Report 2005

Satisfaction with Democracy

– Peru=13

(100 full satisfaction, 0 no satisfaction)



Source: Latinobarometro – Report 2005

Reasons for this divorce with democracy and for conflict

1. Insufficient growth (no jobs)
2. Inequality (very few benefit from growth)
3. Bad quality of public services (education, health, social security, street violence)
4. Weakness of democratic institutions
5. **Fujimori´s authoritarian and corrupt regime (1992-2000)**
Peru almost lost it´s democracy

**Key institution that saved
democracy and avoided
terminal conflict**

The National Accord

(National Agreement)

(In Spanish: Acuerdo Nacional)

Previous conditions for the National Accord (NA)

1. Governability accord promoted by Gustavo Mohme, Director of The Republic, and open and influential Newspaper.
2. The Organization of American States (OAS) table of dialogue for a democratic transition (2000).
3. The transition government of Valentin Paniagua (Sept 2000-July2001).
4. The newly elected government of Alejandro Toledo (July 2001-July 2006). A prime minister (Roberto Dañino) and a first secretary (Rafael Roncagliolo), fully committed with the NA.
 1. One year of consultations and meetings all over the country
 2. The National Accord was signed July 22, 2002

What is the National Agreement (NA)?

1. A social pact between 14 organizations and the government.
2. A national project (which comes from a national common vision) that looks at the future, and hope to last more than 20 years.
3. A conflict solving space for dialogue and consensus.
4. An ongoing process to enhance and consolidate democracy in Peru

Who participates in the NA?

- 7 Political Parties
 - Peru Posible (Toledo's government), APRA (Garcia's government), FIM, AP, UN, UPP, SP
- 7 Civil society institutions
 - 1 confederate trade union, 2 business associations, 1 regional movement, Catholic Church, Protestant Church, Organization for poverty combat
- The government
 - 6 minister special commission
- The challenges: new parties, more representative institutions, move with the society

The NA has four strategic objectives:

- I. Democracy and Rule of Law
- II. Equity and Social Justice
- III. Achieve country's competitiveness
- IV. An efficient, transparent, decentralized Government (State)

- with 31 state (long term) policies

I – Democracy and rule of law

1. Strengthening the democratic system
2. Democratize political environment and strengthen the political parties
3. Affirmation of national identity
4. Institutionalize dialogue and concertation (agreement)
5. Create a strategic planning system
6. Foreign policy for democracy, peace and integration
7. Abolition of any kind of violence and guarantee of personal security
8. Decentralization of the economy and power
9. National security policy

II – Equity and Social Justice

- 10. Elimination of poverty
- 11. Promote equal opportunities for all, without discrimination
- 12. Universal access to a quality education
- 13. Universal access to health services and social security
- 14. Access to full employment, decent and productive
- 15. Promotion of food and nutrition security
- 16. Strengthening of the family, child protection and promotion of youth

III – Achieve country's competitiveness

17. Affirmation of a social market economy
18. Search for competitiveness, productivity and formalization of economic activity
19. Sustainable development and environmental management
20. Science and Technology development
21. A national plan for infrastructure and housing
22. International trade policy for new markets with reciprocity
23. Agrarian and rural development policy
24. External debt reprogramming

IV – Efficient, transparent and decentralized government

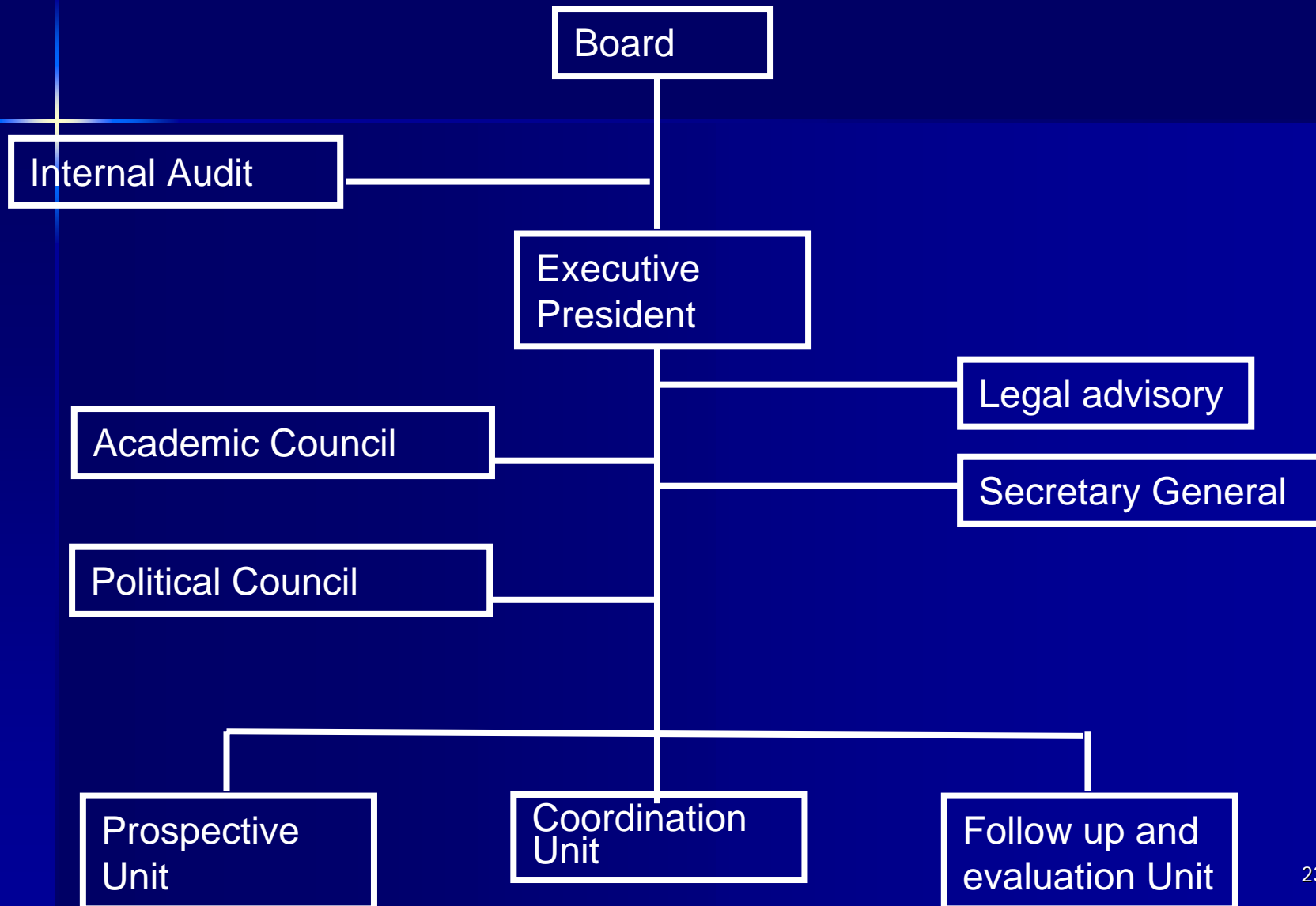
25. Look for the armed forces institutional behavior and service to democracy
26. Fight against corruption in all its forms
27. Construct a efficient and transparent government
28. Eradicate production, traffic and consumption of illegal drugs
29. Defend human rights and guarantee full access to an independent judiciary system
30. Access to information and liberty of expression
31. Elimination of terrorism and search for national reconciliation

**The fifth state policy of
the NA:**

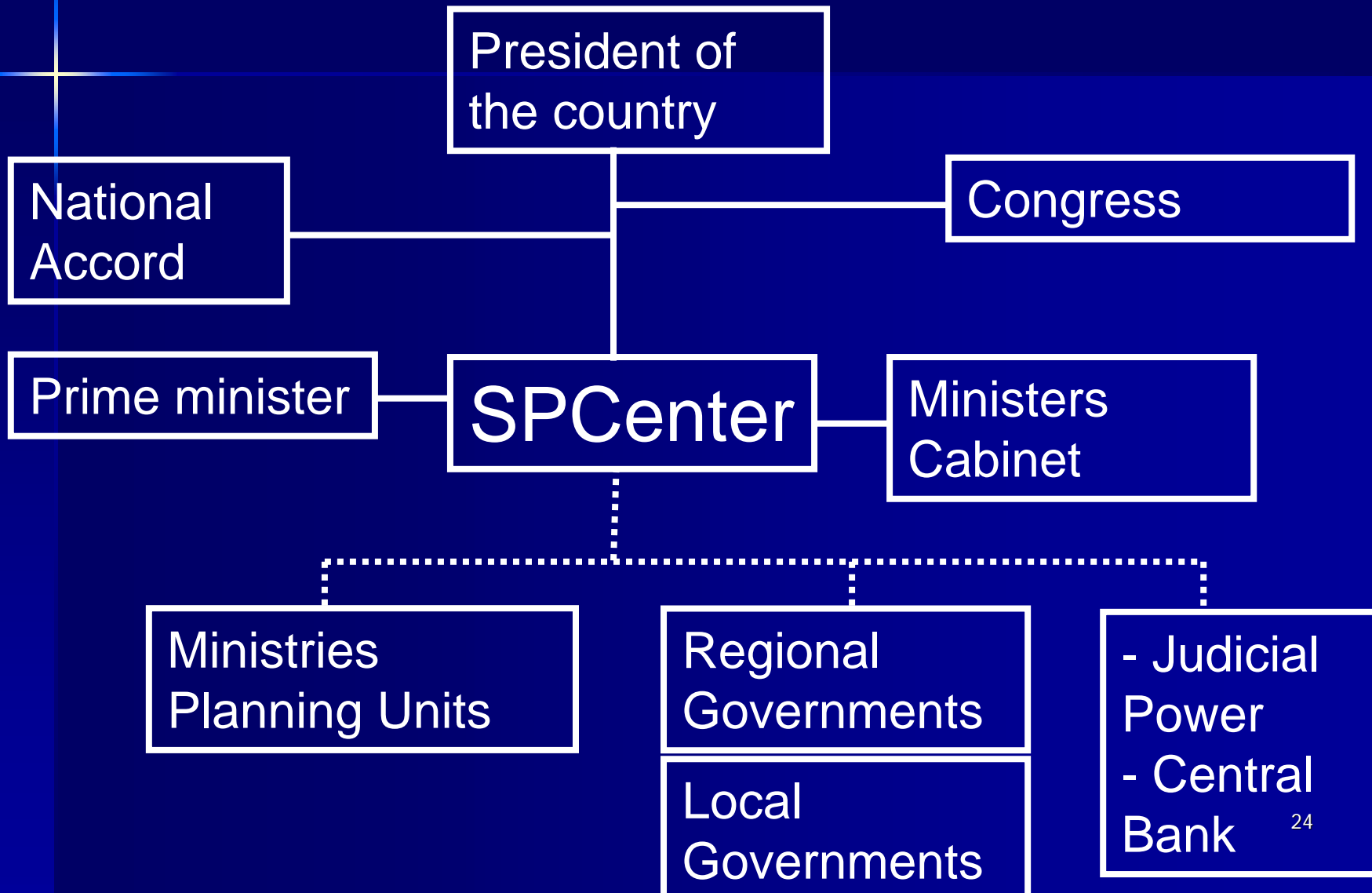
The Strategic Planning Center - SPC

**(In spanish: Centro de Planeamiento
Estratégico - CEPLAN)**

Organization



Strategic Planning System



Peru: Vision to the year 2021

- Peru is the Latin American country most integrated to the world, in trade, investment and technology.
- Peru is an advance democracy, socially integrated and plural, with quality education and employment, that has eliminated extreme poverty.
- Peru is a country where hospitality, solidarity and joy reign.

Characteristics of Peru in the year 2021 (1):

1. The megadiversity is its development platform and basic tool for globalization
2. Has achieved national identity
3. The dialogue and consensus is part of the culture
4. Has a developed system of science and technology
5. Is world leader in biotechnology
6. Priority sectors:
 - Tourism
 - Mining and metallurgy
 - Agro industry
 - Fishing and aquaculture
 - Textiles and apparel
 - Forestry and wood furniture
 - Natural medicine plants

Characteristics of Peru in the year 2021 (2):

7. Decentralization is well established
8. Peruvian firms are global competitors
9. Big firms organize and lead quality products and services clusters
10. Small and Micro enterprises are part of these clusters and value chains
11. Firms have acquired social responsibility
12. There are active dialogue spaces for between private, public sector and civil society
13. Everyone has access to useful and productive work, base of a decent life
14. Poverty and inequality has been drastically reduced

END