



PERÚ

Ministerio
de Economía y Finanzas

Government Perspective
Fiscal Policy and Protection Against Natural Disaster

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AGENDA

- I. LEGAL FRAMEWORK, MAIN FISCAL POLICY
AND EXCEPTION FISCAL RULES
 - II. A COMPREHENSIVE STRATEGY FOR
FINANCIAL PROTECTION AGAINST NATURAL
DISASTERS
 - III. TECHNICAL ASSISTANCE ABOUT DISASTER
RISK MANAGEMENT
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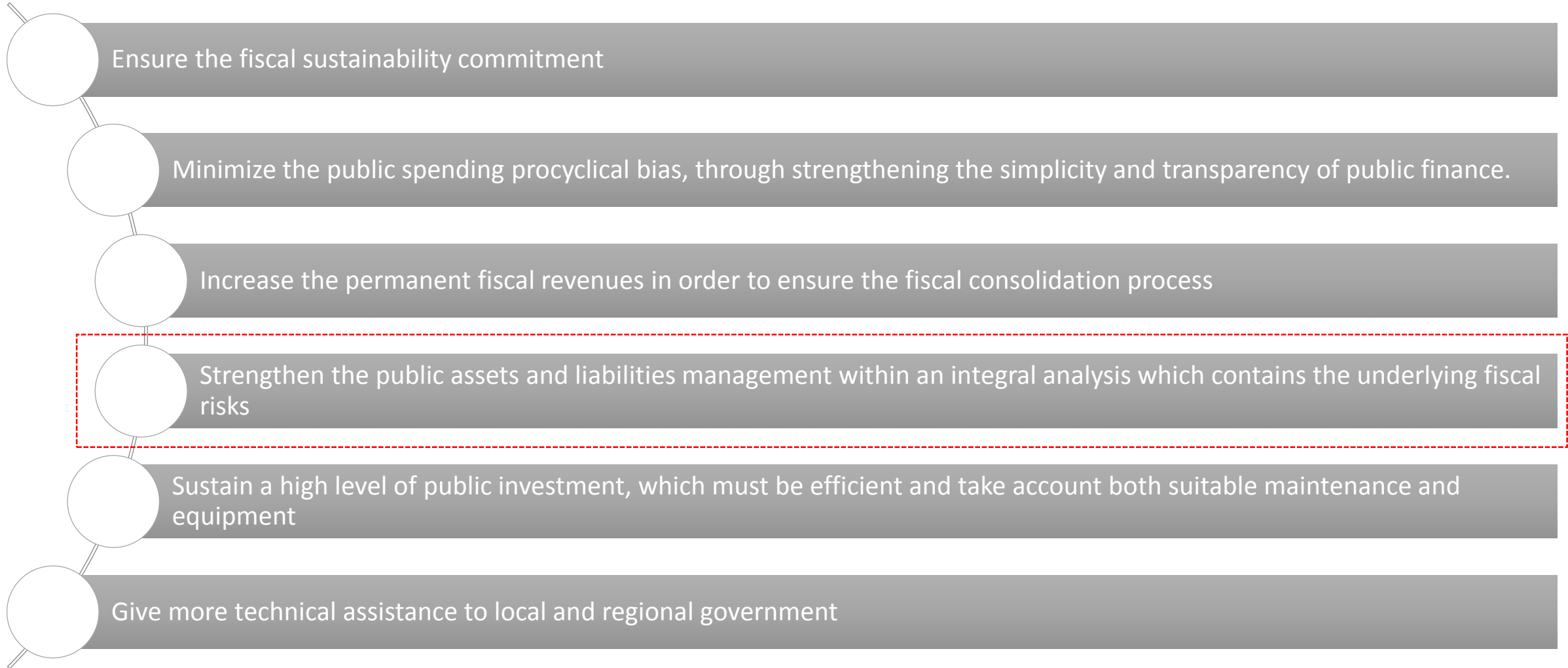


I. LEGAL FRAMEWORK, MAIN FISCAL POLICY AND EXCEPTION FISCAL RULES

LEGAL FRAMEWORK (IN FORCE)

- The Law to the strengthening of Fiscal Responsibility and Transparency (Ley N° 30099) establishes guidelines to ensure a prudent, responsible, transparent and predictable management of public finance in order to maintain the economic growth of country in the medium and long run.
- The Law which creates the National Disaster Risk Management System (Ley N° 29664) establishes that the National Strategy for Financial Management of Disaster Risk is responsibility of the MoF (Ministry of Economy and Finance).
- Supreme Decree which approves the Macro Fiscal Policy Declaration (Decreto Supremo N° 291-2016-EF).

MAIN FISCAL POLICY GUIDELINES



In that sense, the MEF has published the document “Peru: A comprehensive strategy for financial protection against Natural disasters”.

EXCEPTIONS OF FISCAL RULES

In accordance to Law N° 30099, can be excepted of compliment of the rules in the following cases:

Extraordinary cases of national emergency or international crisis which can affect substantially the national economy (Articulo 10.1 de la Ley No 30099)	When the regional governments face nonperiodic large level natural disasters (Artículo 10.2 de la Ley N° 30099) .	Other specific cases of the regional and local governments linked with gas canon and mineral royalties.
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Our legal framework contains clauses in order to permit to respond to emergency as soon as possible.

OPERATIVE TOOLS WHICH EASE THE SUITABLE COMPLIMENT OF MACRO FISCAL RULES

Tools

In Force

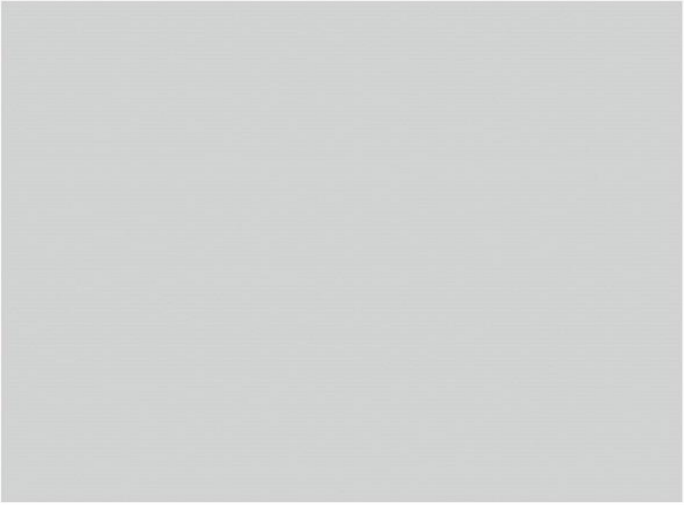
**Factores
Contracíclicos**

**Fondo de Estabilización Fiscal y
Reserva Secundaria de Liquidez**



**Cláusulas de
escape**

**Crisis internacional y desastres
naturales, previa aprobación del
Congreso**

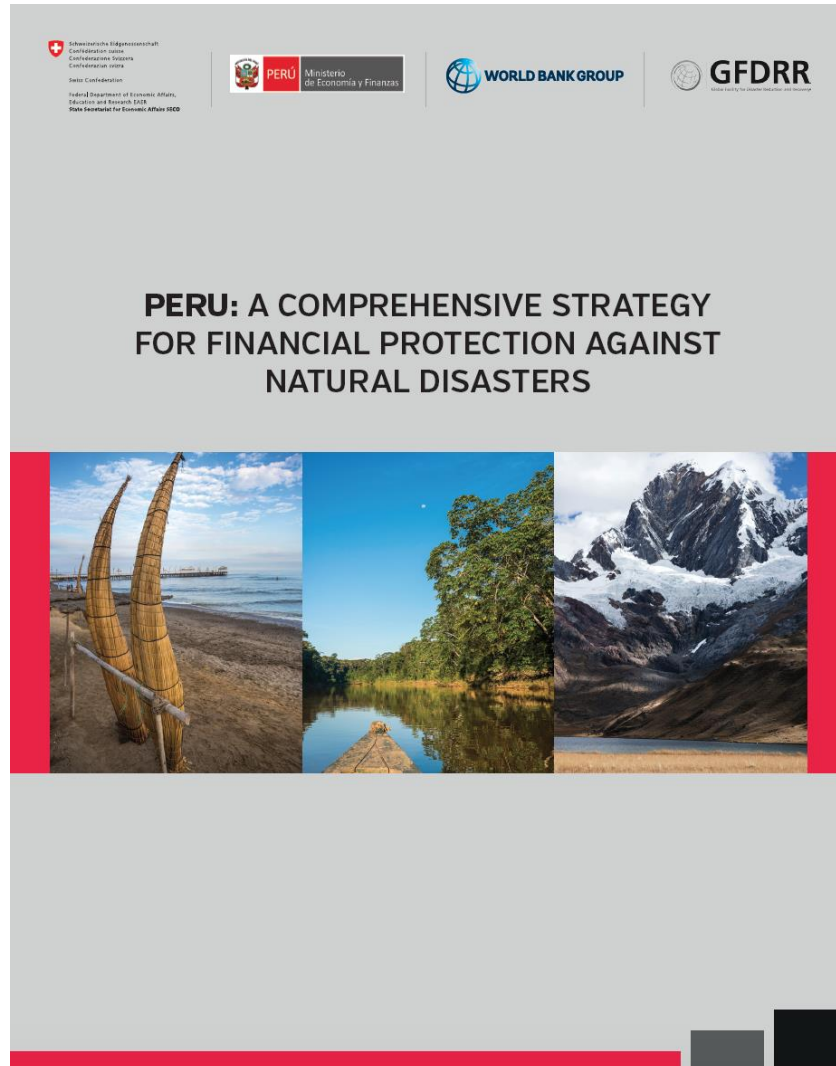
In the cases of extraordinary cases of national emergency (among which is found the disasters), the Fiscal Stability Fund could be used in order to attend some risk management disaster process.



II. A COMPREHENSIVE STRATEGY FOR FINANCIAL PROTECTION AGAINST NATURAL DISASTERS



A COMPREHENSIVE STRATEGY FOR FINANCIAL PROTECTION AGAINST NATURAL DISASTERS



Published by the MoF the 26th July, 2016.

Presented to the “Secretaría General de Riesgo de Desastre” of the Prime Minister Offices (PCM).
by MEF in a technical workshop the 26th July, 2016.

Spanish link:

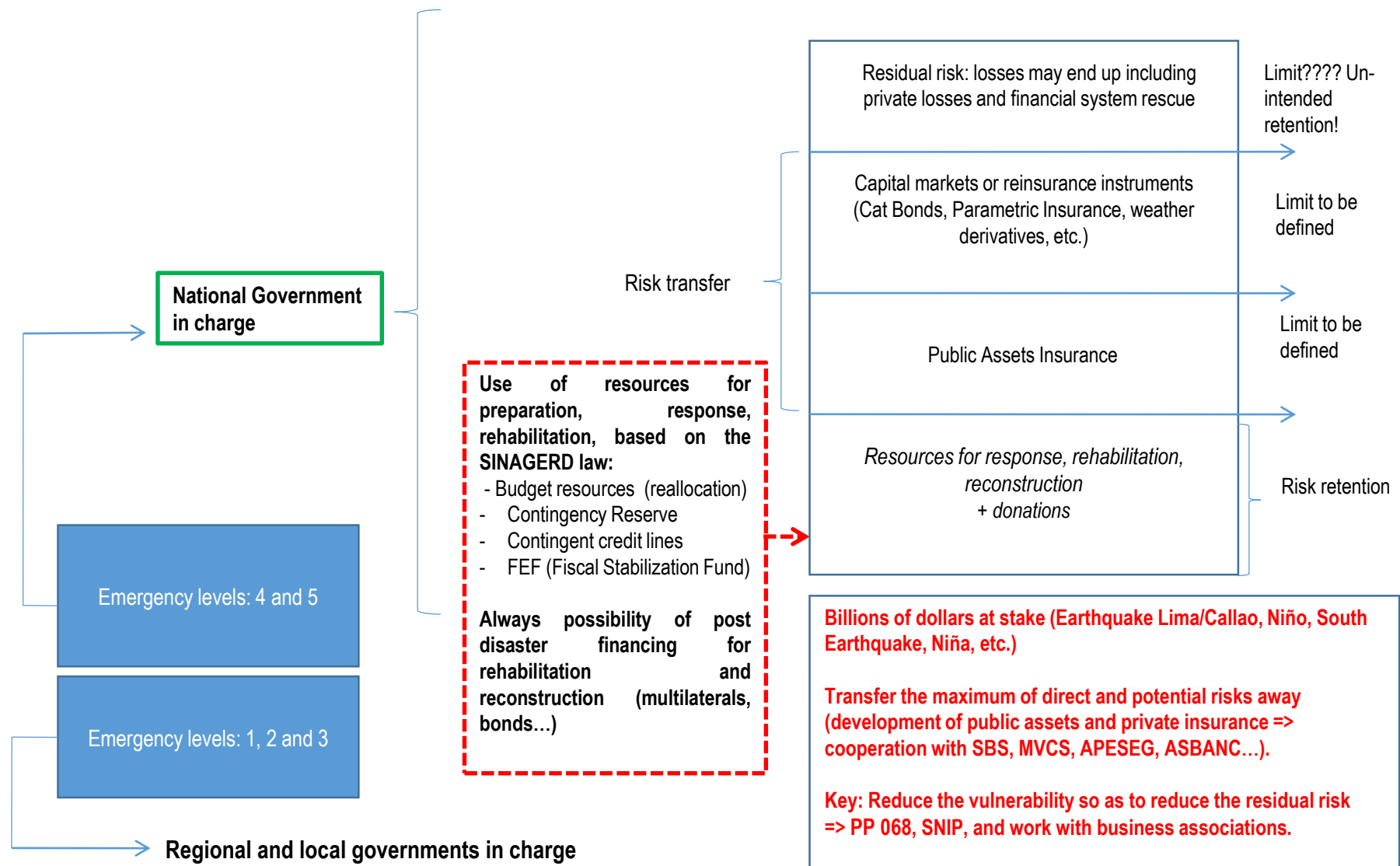
<http://documentos.bancomundial.org/curated/es/770641470123157437/Peru-Comprehensive-strategy-for-financial-protection-against-naturaldisasters>

A COMPREHENSIVE STRATEGY FOR FINANCIAL PROTECTION AGAINST NATURAL DISASTERS: STRATEGIC LINES OF ACTION



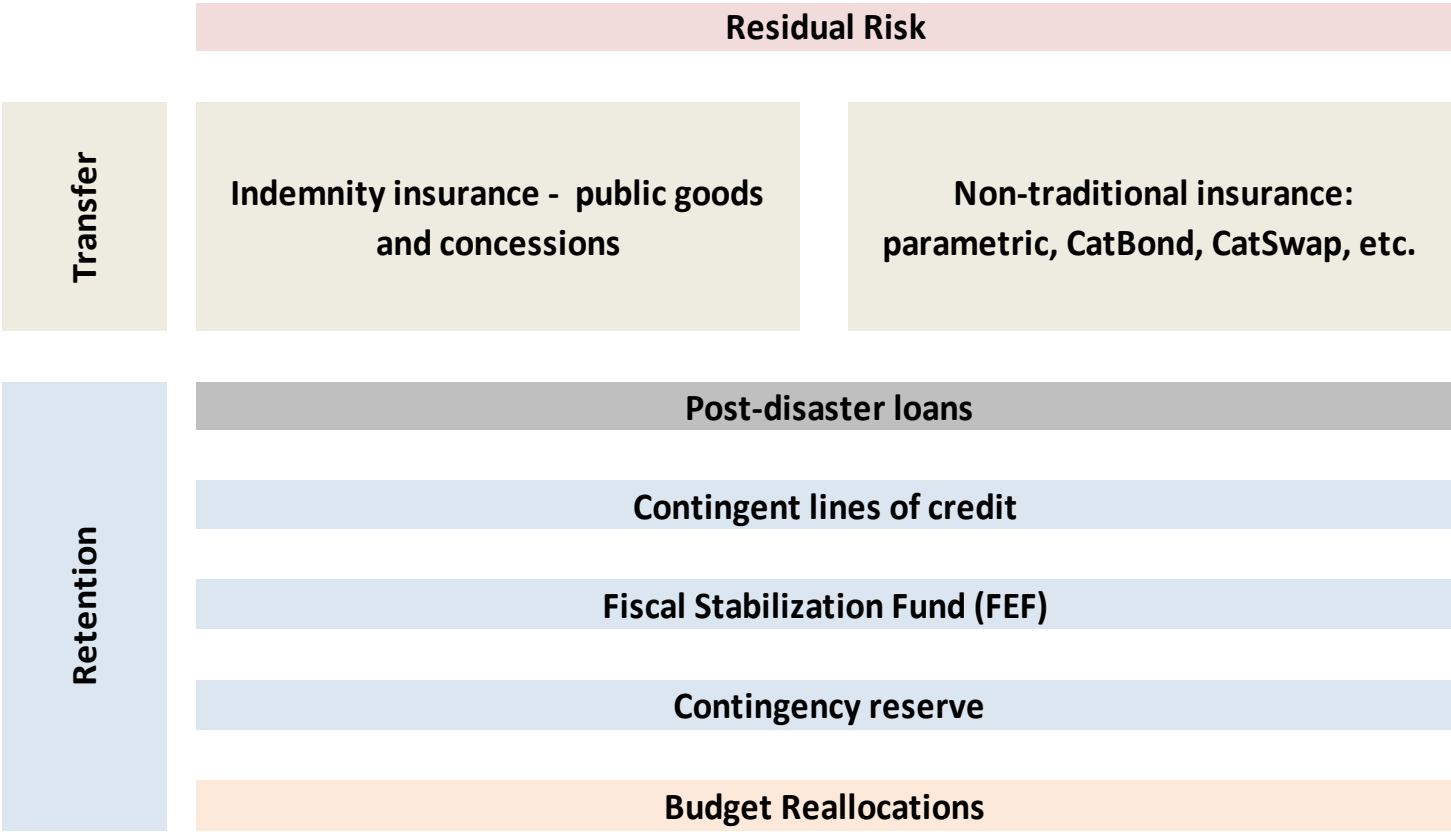
A COMPREHENSIVE STRATEGY FOR FINANCIAL PROTECTION AGAINST NATURAL DISASTERS

NATIONAL GOVERNMENT FINANCIAL STRATEGY – TOWARDS FINANCIAL RESILIENCE



A COMPREHENSIVE STRATEGY FOR FINANCIAL PROTECTION AGAINST NATURAL DISASTERS

PREPARE THE BUILDING BLOCKS FOR THE DEVELOPMENT AND IMPLEMENTATION OF RISK RETENTION AND RISK TRANSFER TOOLS



Main Achievements (end of 2016)

- The Financial Stabilization Fund has been substantially increased and has reached an amount USD 8 258 MM
- Through Law N° 30458 was created the Disaster Fund, to which was transferred initially an amount S/300 MM
- Dedicated Contingent Liabilities have been increased up to USD 1200 MM.
- Through Decrees, the government has generated budget frameworks to flexible the budget lines modification in order to attend the disasters.



III. TECHNICAL ASSISTANCE ABOUT DISASTER RISK MANAGEMENT

TECHNICAL ASSISTANCE ABOUT DISASTER RISK MANAGEMENT

- Switzerland's State Secretariat for Economic Affairs (SECO) and the World Bank's Disaster Risk Financing and Insurance Program (DRFIP) launched a partnership to support middle-income countries (MICs) in building their financial resilience.
- The DRFIP with the support of SECO, is assisting the Directorate of Risk Management (DGR) of the MoF, mainly in the evaluation and understanding of catastrophic risks. As well as devising solutions for the management and financing of disaster risk. Due to this, the MoF developed a Comprehensive Strategy for financial protection against Natural disasters.

TECHNICAL ASSISTANCE ABOUT DISASTER RISK MANAGEMENT

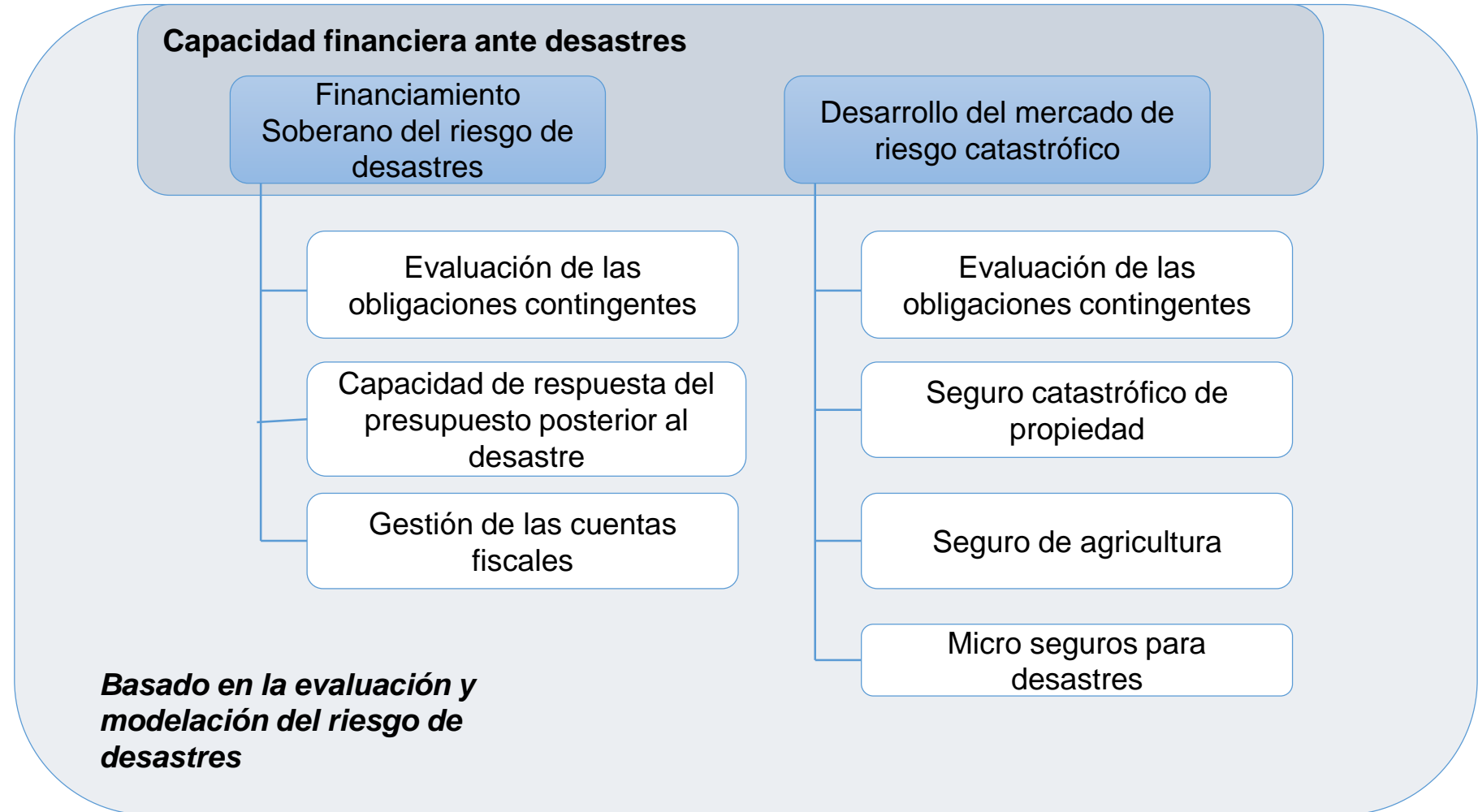
DRFI PROGRAM IN PERU

- The program started in January 2012.
- The program had phases within five years.
- The program permits to include another public and private entities, which will be under leadership by MEF. (so forth, technical assistance which is being given to SBS).
- The second phase has started. Peru keeps within program.
- The DGR knows that the DRFI Program has a high quality technical team and international experience.
- The Program has international experience (more than 50 countries) in developing about financial management of disasters risk and insurance which is used in developing products for Peru adjusted to needs and legal framework of our country.

TECHNICAL ASSISTANCE ABOUT DISASTER RISK MANAGEMENT

DRFI PROGRAM IN PERU

- ✓ DGR can request, within the program, the technical assistance about following products:





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Lima Workshop on Peru Disaster Risk Insurance

Thank you.

