

MODERNIZATION OF PUBLIC ADMINISTRATION IN THE MINISTRY OF FOREIGN AFFAIRS: PROGRESS, CHALLENGES AND RECOMMENDATIONS FOR IMPLEMENTATION

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Once Peru's independence was declared in 1821, several challenges immediately arose in the international arena, such as: achieving recognition of the new State, establishing itself as a subject of international law and an international actor, and delimiting the national territory, among others. Hence, one of the first measures adopted by the government of the nascent State was the creation of the Ministry of Foreign Affairs (MFA) on August 3, 1821. Torre Tagle is already a bicentennial entity, and its primary function is to protect and promote the national interests of greater welfare and security of Peru and its citizens in the increasingly complex international scenario.

The academic bibliography reflects the broad and permanent reflection on national interests and the changing priorities of foreign policy throughout our republican history. Less attention has been paid to the analysis of the means assigned to the MFA for the fulfillment of its functions and objectives, i.e., human, financial, material and technological resources. Does the MRE have the necessary means to adequately fulfill its functions and objectives, and the level of ambition of its Foreign Policy? In this context, using as a framework the National Policy for the Modernization of Public Management (NPMMPM), this article analyzes each of its five pillars, seeking to establish the progress made in its implementation until December 2021, the challenges faced by such implementation in an organization such as the MRE, and formulates recommendations from an institutional perspective. This analysis includes the means available to the Foreign Ministry to execute foreign policy.

1. STATE REFORM AND MODERNIZATION OF PUBLIC MANAGEMENT

In 1943, Jorge Basadre published his essay *La Promesa de la Vida Peruana* (*The Promise of Peruvian Life*), in which he asks the question

"Why was the republic founded?" and basically maintains that the republic was founded to fulfill the promise of republican life, that is, *that "ideal of individual and collective improvement that should be obtained through the integral development of the country, the exploitation of its riches, the defense and increase of its population, the creation of a minimum of well-being for each citizen and adequate opportunities for them"*.¹ Basadre added that in order to fulfill this vision of power and success, the most varied means should be sought, depending on the environment of each generation.

And what is the context of this generation? We believe that the second UNDP report on democracy in Latin America in 2010 brings us closer to a characterization of that environment. The report emphasizes the fact that Latin America is going through the longest period of democratic regimes and the designation of authorities through elections. However, it also warns about, *"citizen frustration in the face of enormous inequality of wealth and power, weak popular participation in public affairs, persistent public and private corruption, growing citizen insecurity and erosion of the rule of law."*

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In other words, in a context of growing social and economic expectations, the democratic state must legitimize itself by working more efficiently, generating greater well-being and solving citizens' specific problems.

At this point, it is important to distinguish between state reform and modernization of public administration. On the one hand, **State reform** is of a political nature and comprises processes aimed at making substantial changes in the organization and redistribution of political power, its structure and functioning. The objective is to improve the performance of the State and contribute to the transformation of the living conditions of the population, forging a new relationship between

1 Cayo Córdova, Percy (2003). Antología de Jorge Basadre, pp. 157-183. Lima, Fundación M.J. Bustamante de la Puente. 324 pages.

2 **OEA y PNUD** (2010). Segundo Informe sobre la Democracia en América Latina. Nuestra democracia. Comunicado de prensa de la Organización de Estados Americanos (OEA). Available at: https://www.oas.org/es/centro_noticias/comunicado_prensa.asp?sCodigo=C-376/10

the State and the citizenry. On the other hand, the **modernization of public management** is administrative in nature. It is a process that complements the reform of the State and seeks as a priority to improve and streamline administrative processes within the State apparatus, in order to comply with the functions assigned to each institution.³

In this sense, we can *roughly* state that the modernization of the State's public management implies improving the management of public resources -human, institutional and financial- in order to implement public policies that have a positive impact on people's well-being and standard of living. This will contribute to increase democratic governance in the country.

At the international level, the process of modernizing public management became relevant within the framework of the so-called *New Public Management* trend, which took shape in the reform of the British public administration in the 1980s, among others. It appeared at a time of economic crisis in which several European states were facing difficulties in sustaining the welfare state model. As a result, the focus of public policies shifted to "downsizing the state" and "rationalizing spending" (how to achieve the best results with the least amount of resources). In the light of experience, what is being sought today is not a smaller State, but the consolidation of a State with reliable and efficient public institutions that contribute to governance and provide quality public services to citizens.

How did the current process of modernization of public administration in Peru come about? The process of modernization of public management was prioritized in our country by verifying three objective situations:⁴

Resource limitations are different from management limitations. The public budget in fiscal year 2006 was s/ 53,929 million, while in 2013 it reached s/ 108,419 million. Despite the fact that in that period tax collection and the public budget increased substantially, public entities still had limited management capacity.

³ These concepts have been taken from the presentation of the course "Introduction to Public Management", given by Professor Mariana Llona R. School of Government and Public Policy of the Pontificia Universidad Católica del Perú.

⁴ The three objective situations that are summarized here are part of the text of Supreme Decree No. 004-2013-PCM, in the part entitled *Justification of the National Policy for the Modernization of Public Management*.

Shortcomings of decentralization. Decentralization meant the transfer of functions and resources from the central level to regional and local governments so that they could serve citizens more closely and effectively. However, this transfer of functions and the increase in resources have not been accompanied by improved decentralized management capacities.

Limited capacity to solve the main deficiencies of the state, such as the absence of an efficient planning system, problems of articulation with the public budget system, deficient design of the organizational structure and functions, inadequate processes for the production of public goods and services, inadequate human resources policy and management, among others.

For this reason, the modernization of public management in Peru has arisen to overcome the negative impact of the deficiencies in the performance of the state on people's lives and on the country's competitiveness and democratic governance. This modernization of public management is conceived as a process of continuous improvement.

Although Law 27658, Framework Law for the Modernization of State Management, was approved in 2002, it was only in 2013 that Supreme Decree N°004-2013-PCM was published, approving the National Policy for the Modernization of Public Management (NPMMPM) to 2021. The regulatory basis was completed with Legislative Decree N° 1446, which amends Law N° 27658 Framework Law for the Modernization of State Management (16-9-2018), and with Supreme Decree N°123-2018-PCM, which approves the Regulations of the Administrative System for the Modernization of Public Management.

The main objective of the **modernization of public management** is to guide, articulate and promote in all public entities the modernization process towards a public management for results that has a positive impact on the well-being of citizens and development. This policy, in force to date, considers the modernization process based on **five central pillars and three transversal axes**.

The five central pillars of the National Policy for Public Management Modernization are: i) Public Policies, Strategic and Operational Plans;

i.e., it must begin by setting the objectives to be achieved; ii. Budgeting for results, i.e. determining the resources needed to achieve the objectives set; iii) Process management, administrative simplification and institutional organization, to ensure that the entity is adequately organized to meet its objectives; iv) Meritocratic civil service, which emphasizes the qualification and development of human resources; and, v) Information, monitoring, evaluation and knowledge management system, to provide feedback throughout the process. These pillars must be supported by three transversal axes: open government, electronic government and inter-institutional articulation. ⁵



Source: National Policy for the Modernization of Public Management (2012).

Peru, as part of its aspiration to join the Organization for Economic Co-operation and Development (OECD), has been incorporating OECD standards on public management. In 2016, the OECD produced the document "OECD Studies on Public Governance: Peru: integrated governance for inclusive growth" in which key governance areas were assessed and recommendations were made in order to improve the capacity of the Peruvian government to effectively address multidimensional policy challenges.

In this study, the OECD includes an important concept: the **center of government**. The center of government in Peru, within OECD parameters, is made up of the Presidency of the Council of Ministers (PCM) and the Ministry of Economy and Finance (MEF). Within this

⁵ Presidencia del Consejo de Ministros. Política Nacional para la Modernización de la Gestión Pública al 2021. Available at: <https://cdn.www.gob.pe/uploads/document/file/1979797/Simplificacion%20Administrativa.pdf.pdf>

framework, the PCM plays a decisive role as the ministry responsible for coordinating national and sectoral policies of the executive branch. For its part, the MEF is another relevant actor in the center of government as it assumes functions related to budget allocation, monitoring and evaluation, which are necessary for policy implementation.⁶

2. THE FIVE PILLARS OF THE PUBLIC MANAGEMENT MODERNIZATION PROCESS AND ITS IMPLEMENTATION AT THE MINISTRY OF FOREIGN AFFAIRS

2.1. PUBLIC POLICIES, STRATEGIC AND OPERATIVE PLANS

The first pillar of public policies, strategic and operational plans seeks to ensure that the State has public policies that reflect clear strategic objectives aligned with the country's priorities. The policy refers to the "what" of the institution, through the identification of services to address and solve a public problem, while the plans reflect the "how".

The National Strategic Planning Center (CEPLAN for its acronym in Spanish) is the governing body for policies and plans, and is responsible for ensuring that the approved policies are framed within the State policies, the General Government Policy and the objectives of the Strategic Plan for National Development, and that they respond to the identification of problems or needs faced by the population, which are prioritized in the public agenda. CEPLAN has registered 68 national policies in charge of the 19 ministries.⁷ To date, 26 national policies have been approved.⁸

What **progress has** the Foreign Ministry made in pillar one? The Foreign Ministry was the first Executive Branch institution to approve the inventory of its policies in 2019, complying with notifying CEPLAN

6 OECD (2016). Reforma de la gobernanza pública. Perú. Aspectos clave. 28 pages. Available at: <https://www.oecd.org/gov/public-governance-review-peru-highlights-es.pdf>

7 The process of reviewing, updating and drafting national policies is regulated by Supreme Decree No. 029-2018-PCM, which approves the Regulations governing National Policies, published in the Official Gazette El Peruano on March 20, 2018 and amended by Supreme Decree No. 038-2018-PCM.

8 The list of approved national policies can be found at the following link: <https://www.gob.pe/institucion/ceplan/noticias/508718-doce-politicas-nacionales-fueron-aprobadas-en-el-2021>.

of its three multisectoral national policies (Migration, Antarctica, Border Development and Integration) and one sectoral policy (International Cooperation). However, to date none of these policies have been developed following CEPLAN's methodology and therefore have not been approved by this entity. At the governmental level, it should be noted that, to date, 14 ministries (73.6%) have approved at least one policy, while the MFA has not approved any.

This situation, naturally, limits the formulation of the Foreign Ministry's strategic plans, since they must be drawn up on the basis of the said policies. Likewise, the inventory of Foreign Ministry policies does not necessarily reflect the *core business* of what the institution actually does (for example, bilateral, multilateral and consular functions, among others). This situation can be clearly observed through the budget allocation, since the approved policy inventory only represents about 26% of the MFA's budget and 100% of the budget of the Peruvian Agency for International Cooperation (APCI for its acronym in Spanish). Additionally, the Ministry of Foreign Affairs has only two functional systems approved by the PCM that correspond to two of the national policies: Border Development and Integration and International Cooperation, systems that do not reflect the entire scope of action of the Ministry of Foreign Affairs and foreign policy.

In this context, there is the challenge of aligning national multisectoral or sectoral policies under MFA's responsibility with the MFA's functional systems and with its strategic and operational plans. Likewise, the participation and contribution of the MFA to the fulfillment of the objectives of policies in charge of other sectors (for example, policies on foreign trade, tourism, gender equality, maritime, competitiveness and productivity, culture, climate change, environment, etc.) must be identified and made visible, so that the Foreign Ministry is in a better position to obtain greater budgetary resources and to optimize its impact.

A positive achievement of the MFA has been the inclusion, in 2021, within the Strategic Plan for National Development to 2050, of a transversal guideline related to Foreign Policy, as well as strategic

objectives and actions: "Establish an articulated and coherent action of the country's foreign policy". Likewise, within the ten axes of the General Government Policy 2021-2026, approved by Supreme Decree No. 0164-2021-PCM, axis 9 is included: "Conducting a national, autonomous, democratic, social and decentralized diplomacy".

Likewise, to date, the Ministry of Foreign Affairs has the following planning instruments in force: i) a prospective document; ii) the Multiannual Sectoral Strategic Plan 2015-2025 (PESEM for its acronym in Spanish); iii) the Institutional Strategic Plan 2020-2022 (PEI for its acronym in Spanish); v) the Institutional Operational Plan 2022 (POI for its acronym in Spanish); vi) the multiannual POI 2023-2025. To these planning documents we should add the respective monitoring reports and evaluation reports of the strategic and operational plans.

In light of the experience with the implementation of this pillar in the Foreign Ministry, we consider that there are four challenges ahead.

The public problem addressed by the Foreign Ministry. It should be noted that public policy is designed to solve a public problem and that, once the desired future situation and the gap between the current situation and the desired situation have been established, actions are defined to fill the gap, as well as the need for resources and their indicators to measure progress and the degree of compliance, in the follow-up and evaluation stage.

What public problem is the Foreign Ministry addressing? There is no obvious, immediate answer. What happens is that some aspects of foreign policy -understood as public policy- present a certain complexity when it comes to identifying a specific public problem to be addressed, given that it is a policy that cuts across the entire administration of the State and involves other States and actors in its dynamics.

Therefore, although the current methodology focuses on formulating policies for public problems, with a quantitative approach of "closing service gaps" (which works very well for measuring the progress of

quantifiable services provided in sectors such as education, health and infrastructure), the Foreign Ministry could explore the possibility of formulating policies that emphasize two objectives: (i) policies for taking advantage of opportunities (such as, for example, taking advantage of or capturing international development cooperation opportunities, from bilateral or multilateral sources), (ii) policies for a qualitative objective, such as improving our country's position in relevant international rankings, over a period of time, starting from an initial situation, with *benchmarking*.

Coherence between the management of public policies and strategic and operational plans. The General Offices of Planning and Budget are responsible for the elaboration of policies and plans. Notwithstanding, in the case of the Ministry of Foreign Affairs, this task is divided between the General Directorate of Foreign Policy Studies and Strategies (DEE for its acronym in Spanish) and the General Office of Planning and Budget (OPP for its acronym in Spanish), which is an important difference in relation to the other ministries.

On the one hand, DEE is in charge of supervising the development of the four public policies under the responsibility of the Ministry of Foreign Affairs, as well as ensuring the implementation of the policies in which our institution participates within the framework of the general government policy and policies of other sectors.

On the other hand, OPP is responsible for the preparation and monitoring of management plans such as the Multiannual Sectoral Strategic Plan (PESEM for its acronym in Spanish), the Institutional Strategic Plan (PEI for its acronym in Spanish), and the Institutional Operational Plan (POI for its acronym in Spanish). The Sectoral Plan includes actions of the Ministry of Foreign Affairs and the Peruvian Agency for International Cooperation (APCI for its acronym in Spanish), while the PEI and POI are only at the institutional level, i.e., both the Ministry of Foreign Affairs and APCI must prepare them separately.

Both DEE and OPP should coordinate and report to the National Strategic Planning Center (CEPLAN for its acronym in Spanish), since the latter is the governing entity of the National Strategic Planning

System, one of the 11 administrative systems of the Peruvian state, which is responsible for supervising and making viable the national strategic planning process to promote the harmonious and sustained development of the country. In this sense, a very close coordination between OPP and DEE is required, and the merger of these two agencies should be evaluated in the future, or maintaining OPP as the office responsible for the Administrative Planning System as stated in the Law of Organization and Functions of the MFA (Law No. 29357) and creating an area of strategy as an advisory body on foreign policy directly under the Minister.

Policies and plans useful for management. What are the plans established in the National Strategic Planning System (SINAPLAN for its acronym in Spanish)⁹ ? They are the PESEM, the PEI and the POI. There is a logic of articulation between these plans. Once a national policy has been defined, the institutional policy is identified at the level of each public entity, which will be included in the Institutional Strategic Plan (PEI) together with the strategic actions and strategic objectives. Subsequently, the Institutional Operational Plan (POI) sets out the activities and interventions at the operational level, which must be costed. It is at this point where the planning is articulated with the budget allocation. The budget should be nothing more than the quantification of the Plan. In other words, by looking at the budget it should be possible to precisely identify the entity's priorities, and it should serve as a management control tool to evaluate whether the entity is meeting its objectives and goals.

The Institutional Strategic Plan (PEI for its acronym in Spanish) is the management instrument that identifies the entity's strategy to achieve its policy objectives for a period of three years. The MFA's PEI 2020-2022 comprises **eight institutional strategic objectives**:

⁹ The SINAPLAN is an articulated and integrated set of bodies, subsystems and functional relationships whose purpose is to coordinate and make viable the national strategic planning process to promote and guide the harmonious and sustained development of the country. Source: <https://observatorioplanificacion.cepal.org/es/sistemas-planificacion/sistema-nacional-de-planeamiento-estrategico-de-peru#:~:text=The%20SINAPLAN%20is%20an%20armed%C3%B3nico%20and%20sustained%20set%20of%20the%20country%C3%ADs.>

strengthening bilateral and multilateral relations, economic and cultural promotion, consular assistance, international cooperation, modernization of the management of the ministry and the diplomatic service of the republic, and risk management.¹⁰

The Institutional Operational Plan (POI for its acronym in Spanish), on the other hand, is the management instrument that guides the need for resources to implement operational activities aligned with the institutional strategy. Like the PEI, the period of the POI is three years.

In the Foreign Ministry, the General Office of Planning and Budget prepares the POI based on the annual work plans (PTA for its acronym in Spanish) of each agency and each organ of the foreign service. Hence, it is important to properly complete the PTAs and estimate the costs of the activities included in the document.

The importance of good planning through properly costed annual work plans (PTA for its acronym in Spanish) should be emphasized, since they will be reflected in the POI and are the reference to support requests for greater budgetary resources for the Foreign Ministry. Inadequate planning and the absence of correct indicators for monitoring results affect not only the aspirations of obtaining greater resources to finance the needs of foreign policy, but also complicate its administration, obtaining them in an inertial manner, based on historical budgets, or simply adjusted for inflation or exchange rate variations, with no prospect of growth.

In perspective, although the development of foreign policy strategies is part of the daily work of its actors, planning must be the means to make them operational and to calculate their consequences. The difficulties in obtaining better results lie in how to precisely define and communicate these strategies to the organization as a whole, as well as in their implementation. How to align the organization and its human resources with the foreign policy strategy? How to create consensus on the path the MFA should follow? What capacities does an organization such as

10 Institutional Strategic Plan (PEI) 2020-2022, of the Ministry of Foreign Affairs, approved by Ministerial Resolution No 0536/RE, August 8, 2019. Available at:

https://cdn.www.gob.pe/uploads/document/file/351057/PEI_2020-2022_RM_0536-RE-2019.pdf

the MFA need to develop to ensure greater foreign policy success? What foreign policy processes should the MFA focus on in order to maximize its contribution to Peru's development?

A necessary condition for the success of a foreign policy plan is that the set of strategies to be followed is aligned with the organizational structure, its human, financial and technological resources, the value proposition to society in terms of services and products, as well as with the leadership and management processes. In addition, foreign policy needs to have clearly defined policy objectives in order to generate a sound strategy. Once this is achieved, the organizational structure can be adapted along with its resource requirements.

In the Ministry of Foreign Affairs, strategic and operational plans should be closely linked to the Instructions given to the ambassadors and the Heads of Missions Abroad, as well as to the sectoral objectives of other ministries, to whose fulfillment the external action of the Ministry of Foreign Affairs could contribute. The Annual Reports of the Missions should include an account of the progress made in their respective Instructions.

Strategic planning is a valuable tool for programming the various foreign policy activities, allocating resources and monitoring their proper execution. However, as important as a good design of the plan is its implementation. If the latter is not properly carried out, the Plan becomes an additional procedure that must be "fulfilled by obligation", but which does not generate any type of commitment, nor is it used as a support for daily work, nor does it provide value to the organization.

In the Foreign Ministry it is necessary to foster a culture of strategic planning, so that officials use this tool in their daily work, establishing objectives, goals, activities, resource needs and programming, indicators, so that they are able to evaluate the impact of their actions. It would also be advisable for performance evaluation and promotions to be linked to the plans and their results. To achieve the development of an organization oriented to strategic planning, the Diplomatic Academy itself should begin by incorporating courses of this nature into the curriculum, which could be implemented in coordination with CEPLAN and/or academic institutions specialized in the subject.

Visibility of relevant services for greater resources. Most of the services or goods provided by the Foreign Ministry are initial or intermediate results in the value chain. Only a relatively smaller percentage of its services are final results that reach the end user, as in the case of consular services, humanitarian assistance or legalization services. Most of its services are intermediate results, hardly visible, and are mainly destined to other public entities.

Let us take the case of the repatriation of goods that are part of the cultural heritage of our country. The Foreign Ministry, through the embassies, identifies a cultural heritage property, takes the necessary steps before private or public entities, negotiates agreements and even -if necessary- litigates in the respective judiciary to finally achieve the repatriation of the cultural property to Peru. All of this is charged to MFA's budget. However, all these steps are initial or intermediate results, because the final result is the repatriation of the cultural property, which is reported by the Ministry of Culture.

Consequently, the challenge for the Foreign Ministry is to identify and make more visible the various services and intermediate results it provides, which are relevant to other national policies -under the responsibility of other Ministries- and, on that basis, to request, obtain and manage greater budgetary resources to optimize its contribution. In this task, it is essential for the Foreign Ministry to define the set of final and intermediate services it provides, both to citizens and to other national and international institutions and actors, in order to identify the set of policies, plans and functional systems that will allow it to provide them in a timely manner with the highest quality and the highest level of satisfaction.

This task has already begun; the first version of the MFA Services Catalog was authorized in 2021. This instrument contains 24 groups of services and within them a total of 109 services provided by 13 General Directorates. This catalog implies not only having systematized information on the services provided by the Ministry of Foreign Affairs, but also: i) it provides useful information for national policy-making processes, both those under the responsibility of the MFA and those

under the responsibility of other sectors; ii) it can promote the inclusion of Foreign Ministry services in national policies under the responsibility of other sectors, according to the analysis and relevance of each case; iii) serves as input for budgetary planning and programming actions; iv) identifies MFA services for their continuous improvement; v) serves for the preparation of multisectoral strategic plans; vi) serves as support for the eventual request for additional budgetary resources.

Because of its usefulness and implications, this catalog should be kept up to date and incorporated into the daily management of the various agencies of the MFA. In this regard, it is recommended that the next version of the Catalogue of MFA Services include not only those services provided by the General Directorates and General Offices, but also those provided by the Foreign Service Organizations (embassies, consulates and permanent representations), emphasizing the identification of services with results that reach the end user.

2.2. BUDGETING FOR RESULTS

The second pillar is the Budget for Results¹¹. A modern State at the service of citizens, in addition to clear objectives, requires that its budgets be allocated with a focus on measurable results, i.e., based on the products that citizens expect to receive in order to satisfy their demands. This has been promoted by the MEF since 2007.

In order to promote effectiveness and efficiency in the use of public resources in public entities, the regulations emphasize the focus on the articulation of transversal administrative systems (SATs for its acronym in Spanish). The aim is to optimize the contribution of each administrative system to the operational processes for the achievement of results in favor of the population. Under this approach, a circuit of articulation is established between the SATs of strategic planning,

¹¹ In Peru, as of 2022 there are 88 Budget Programs (PP for its acronym in Spanish), 2 PPs with approved design, as well as several initiatives to create new PPs (on Human Trafficking, Rare Diseases and Orphans). Source: https://www.congreso.gob.pe/Docs/comisiones2021/Presupuesto/files/expositores/ceplan_consistencia_2022.pdf

multiannual programming and investment management, public budget, and especially supply. Management during this circuit determines, to a large extent, the coverage and quality of goods and services.

It should be emphasized that this is the language being used in the modernization of public management: there is a growing linkage between the formulation of policies and plans, i.e. the planning of objectives; and the allocation of public resources in the budget, with the commitment to execute them in order to achieve reportable and measurable results.

In the context of the implementation of the modernization of public management, this is the language that every Peruvian diplomat, as a public official, must use in his or her daily work. There is ample space in the MFA to develop and improve the culture of budget programming.

The better the services of a public entity that are relevant to national policies are identified, whether they are provided by itself or by other entities, the better the indicators are established, and the better the results and improvements are demonstrated through the measurement of the indicators, the greater the possibility will be for that public entity to obtain more budgetary resources to carry out its functions, with the consequent impact on the relevance and social legitimacy of that entity. Although it is difficult to quantify foreign policy results, this situation should not be an obstacle to making greater efforts in this direction. To the extent that MFA show better and more precise results, MFA will be in a better position to obtain greater resources and broaden the impact of foreign policy.

Public spending is divided into three budget categories: budgetary programs (PP for its acronym in Spanish), central actions (AC for its acronym in Spanish) and budgetary allocations that do not result in output (APNOP for its acronym in Spanish). The Opening Institutional Budget (PIA for its acronym in Spanish) of the MFA in 2022 amounts to S/ 836 186,967 (eight hundred thirty-six million, one hundred eighty-

six thousand, nine hundred sixty-seven soles)¹² . As part of the implementation of the NPMPM, the Foreign Ministry currently has two budgetary programs:

i) PP No. 0062 "Optimization of the policy of protection and attention to Peruvian communities abroad", implemented since 2012. Its objective is to improve the access of the Peruvian migrant population, estimated at more than three million people, to timely and quality consular services, which are provided by the Ministry of Foreign Affairs through the 69 career consulates and 47 consular sections of embassies. In 2022, 24.65% of the MFA's opening institutional budget (PIA) (equivalent to 206.07 million soles) is earmarked for PPR0062.

ii) PP No. 0133 "Strengthening of foreign policy and diplomatic action", implemented since 2015. This budgetary program aims to guarantee the international representation of the State and the protection of national interests; as well as, to facilitate the participation of public and private entities and national entrepreneurs in economic, cultural and scientific promotion activities. In 2022, 416.19 million soles, i.e. 49.79% of the MFA's opening institutional budget (PIA for its acronym in Spanish), are allocated to PP0133.

In sum, 74.44% of the MFA's budget in 2022 is earmarked to finance two budgetary programs within the framework of the budget for results. This is an important advance that the Foreign Ministry can show in this pillar two.

In the future, we consider that there are three **main challenges** for the Foreign Ministry in this second pillar: to improve the quantification and development of indicators of the budgetary programs (PPs for its acronym in Spanish) for performance measurement; to convey the uniqueness of the Foreign Ministry so that this fact is considered in budget programming; and to reverse the declining participation of the sector in the general budget of the republic.

12 The MFA's 2002 PIA is equivalent to approximately USD 220 million, considering an exchange rate of USD 1 = S/ 3.8, in January 2022.

Quantification and development of indicators for performance measurement. The development of indicators is relatively simple in the case of PP 0062 since it offers final products to the citizen. On the other hand, in the case of PP 0133, there are substantive limitations in relation to the problem and the identification of indicators given that -in general- this program comprises activities that involve the provision of intermediate products in the value chain.

This is a common problem faced by different foreign ministries around the world. For example, measurement is inherently difficult for the UK Foreign Office as opposed to other ministries because, by definition, the implementation of a country's foreign policy interacts with those of other states. The measurement of policy outcomes assumes a "cause-effect" relationship (e.g., health, education, production), but this methodology is not appropriate for measuring the particular case of foreign policy given the diversity of factors that impact the outcomes of diplomatic management, which no state controls on its own. Therefore, the British Foreign Office emphasized in its Parliament, rather, that diplomatic work acts as a kind of "insurance" that, by definition, does not become evident unless it is necessary. In addition, the British Foreign Office presented several frustrated efforts trying to measure the most valuable outcome of diplomacy, i.e., avoiding war.¹³

In this sense, we could affirm that the creation and maintenance of a stable, peaceful and cooperative regional climate -the result of diplomatic work- is a public good that serves as a basis for the generation of a security environment conducive to the creation of well-being and national development. The challenge is how to demonstrate it, measure it through relevant indicators and obtain greater resources based on such results. This requires strengthening the agencies involved in the value chain, as well as the real commitment of senior management to move forward in a modernization process with greater transparency.

¹³ The Role of the FCO in UK Government
<https://publications.parliament.uk/pa/cm201012/cmselect/cmfa/665/665.pdf>

In this regard, it should be noted that James Q. Wilson¹⁴ developed a scheme to distinguish four types of organizations: production, procedural, craft and survival based on the criterion of whether the product and the result generated by such organizations are observable or not. A summary is shown in the following table:

	<i>Observable results</i>	
<i>Observable products</i>	Yes	No
Yes	Production organizations. Examples: postal services, tax collector, sanitation, vehicle registration, among others.	Procedural organizations. Examples: mental health, counseling, military (peace), juvenile correctional facilities, among others.
No	Craft organizations. Example: field inspections, military (in times of war), doctors, forest rangers, among others.	Survival organizations. Examples: diplomacy, intelligence, research.

According to this table, the outputs and results of **production organizations** are observable. Examples are: mail services and routine tax collection. In these cases, the measurement of performance and management is possible. In contrast, in the case of **survival organizations** they present problems in observing both output and outcome. The diplomatic efforts of embassies are an example. Diplomatic activity and outcomes are diverse and difficult to define. Moreover, outcomes depend on many variables other than diplomatic intervention.

Based on the typology of organizations developed by Wilson, it should be asked whether it is coherent to try to apply the same methodology to evaluate the performance of all public sector entities equally, without considering the different nature of the products and results they generate.

Singularity of the Foreign Affairs sector to be taken into account in the programming and budget allocation: We consider that there are four aspects that make the MFA unique within the public administration

14 Wilson, J. Q. (1989). *Bureaucracy: What Government Agencies Do and Why They Do It*. New York: Basic Books, 433 pages.

and that should constitute a strong message to the Ministry of Economy and Finance (MEF) when deciding on the budget allocation.

First, the Foreign Ministry's areas of competence are international relations, foreign policy and international cooperation¹⁵. Therefore, unlike other sectors, the foreign policy interlocutors are actors outside the dynamics of domestic politics, which implies -among other things- having an infrastructure that currently comprises 137 missions, including diplomatic, consular and representations to international organizations. This explains why more than 70% of the Foreign Ministry's budget is spent in eight international currencies. As a consequence, **the Foreign Ministry's budget management is quite vulnerable and sensitive to exchange rate variations.**

Second, one of the main functions of the Ministry of Foreign Affairs is the protection and care of the Peruvian community abroad, estimated at more than three million Peruvians. In doing so, consular offices must assume and perform the functions of various public entities. In effect, a consulate becomes a sort of one-stop shop for the public administration abroad, since Peruvian citizens can carry out procedures as diverse as registration of births, marriages, deaths, ID cards, passports, criminal and police records, and even notarial matters such as the granting of powers of attorney and travel authorizations for minors. The consulate also processes interrogations and judicial notifications, in addition to providing legal and humanitarian assistance, including assistance to victims of gender violence and repatriation of nationals in vulnerable situations.

In short, through consular work, **the Foreign Ministry provides services abroad that contribute to the fulfillment of public functions and policies of various entities and sectors such as National Registry of Identification and Civil Status (Reniec for its acronym in Spanish), National Superintendence of Migrations, the Judiciary, the Home Ministry, National Superintendency of Public Records (SUNARP for its acronym in Spanish), Ministry of Women and Vulnerable Population (MIMP for its acronym in Spanish), among others.** This reality must be taken into account when allocating budgetary resources to the MFA.

15 Law No. 29357, Law of Organization and Functions (LOF) of the Ministry of Foreign Affairs, Article 4.

Third, in an interdependent and globalized world, it is evident that national efforts to achieve higher levels of prosperity, security and democratic governance need to be complemented by a foreign policy that promotes and safeguards national interests in the complex international scenario. In this sense, foreign policy actions are framed within an increasingly broad and diverse bilateral and multilateral agenda. The objectives can be stated in general terms, such as, for example, the creation and maintenance of a climate of stability and peace in South America. But we can also cite examples of concrete results such as the contribution of the Foreign Ministry to the signing of contracts that allowed the arrival of vaccines against Covid 19 to protect the health of our population, advance in vaccination and lay more solid foundations for the country's economic reactivation.

The uniqueness of foreign policy lies in the fact that much of the diplomatic work and foreign policy results are intangible, constitute intermediate goods in the public value chain or cannot be easily adapted to the methodology used to measure the performance of public entities. This is a challenge faced not only by Torre Tagle, but by all foreign ministries around the world. **Not for this particularity, we should not lose sight of the enormous contribution of the Foreign Ministry to advance national objectives in the uncertain and competitive international scenario.**

Fourth, the maintenance and operation of the 137 missions require fixed costs for the payment of real estate rents, salaries of locally hired personnel, utilities, insurance, and other variable services necessary to ensure the operability of the missions. Unlike the expenses of other domestic sectors, such items are subject to foreign national regulations and norms, as well as economic conditions, which are beyond the control of our country, and are mandatory in the respective national jurisdictions.

Considering the nature of the diplomatic and consular function, **the Foreign Ministry needs to cover these fixed costs, regardless of the greater or lesser degree of activity or events that a particular mission may carry out.** In this sense, the fact that a significant percentage of the budget of the Foreign Ministry is allocated to fixed costs for the operation of the missions, explains why the additional resources needed for specific events or objectives are relatively minor. For example, if there had not been an operational network of missions

abroad, the budget for organizing elections abroad would have been much higher. In other words, the fixed costs of the missions explain the sunk costs that reduce the budget needed to finance additional events or actions. The same applies to other foreign policy actions, including economic and cultural promotion.

Another consequence of this fact is that, unlike other sectors, **in the case of the Foreign Ministry, the relationship between the increase in the budget and the increase in the production of results, indicators and goals of the budgetary programs is not always direct, linear or automatic.**

Decreasing participation of the Foreign Affairs sector in the General Budget of the Republic. The budget is a key factor for the success of any foreign policy plan. Without an appropriate budget it is difficult to implement the plan, while at the same time imposing on the organization the need for greater creativity and optimal budget management.

One of the great difficulties in obtaining greater resources is that public sector budgets are basically historical, i.e., figures that are repeated from one year to the next. Due to budgetary limitations and the need for fiscal balance, the MEF assigns an annual figure to the sector on the basis of which spending is programmed. In other words, **the budget does not fulfill the function of quantifying the foreign policy plan, but rather, to a large extent, conditions it.**

It should be added that in the case of the MFA, there are a series of expenses that are not contemplated in the budgets initially approved by the MEF, which makes it necessary to request supplementary credits: creation of offices and missions, visits, events, electoral processes, health crises, repatriations, equipment, etc. Due to this situation, the MFA has to permanently implement austerity measures in order to free resources to cover the expenses not initially envisaged.

It is not surprising to recognize **that the Foreign Affairs Sector's share of the general budget of the Republic has been decreasing**, resulting very limited to finance operational functioning and foreign policy activities. Its sources of financing continue to be essentially the Public Treasury and Directly Collected Resources, which are essentially

consumed in current spending (salaries, goods and services and payment of dues to international organizations).

Indeed, in 2009, the general budget of the republic was 72 355 497 884 soles, while the MFA's institutional budget for opening the year (PIA for its acronym in Spanish) was 497 536 204, i.e., the MFA represented 0.69% of the republic's budget. In 2021, the national budget was 183,029,770,158, while the MFA's PIA reached 796,930,550, i.e. 0.44% of the general budget of the republic. **The MFA is one of the sectors with the lowest budget growth during the years of greatest growth of the Peruvian economy, to which must be added that the budget is executed in 8 different currencies subject to significant exchange and inflationary movements that have affected the purchasing power of the budget.** This situation is evidently due to the fact that social spending has been given greater priority in the allocation of resources. However, it should also call us to reflect on the fact that it also responds to the difficulties the MFA has encountered along the way to accurately show its value proposition and the results of diplomatic action.

At present, the MFA does not have sufficient resources to guarantee the proper functioning of its network of missions abroad and even less to grow as an organization, strengthening and expanding Peruvian institutional presence abroad. The resources to finance the regular allocations for the operation of the missions abroad have remained largely unchanged over time and, naturally, have been losing purchasing power, due to exchange rate variations or inflationary increases in the various headquarters.

Likewise, despite the fact that support for multilateralism, cooperation and the strengthening of an international system based on rules agreed upon by consensus are a priority of Peruvian foreign policy, difficulties have been encountered in honoring the timely payment of dues to international organizations. By December 2021, an accumulated structural debt of more than 130 million soles was projected. In this context, after various negotiations at different levels before the MEF and Congress, Law No. 31365, the Public Sector Budget Law for 2022, included the Seventy-ninth final complementary provision, by virtue of

which the MEF was authorized, on an exceptional basis, to approve budget modifications at the institutional level in favor of the MFA for 130,192,555 soles to finance the payment of dues owed to the international organizations of which Peru is a member country. Likewise, a little more than 12,000,000 soles were obtained for Peru's contribution to the Peru-Colombia Fund to implement the Border Integration Zone Development Plan.

The Ministry of Foreign Affairs does not have the resources to develop investment projects of special importance to enhance the value of our real estate assets: Peru has 137 diplomatic and consular missions, but there are only 44 real estate properties abroad owned by the Ministry of Foreign Affairs. The Ministry of Foreign Affairs should evaluate the possibility of opting for internal or external debt operations to access the purchase of premises, in order to capitalize the institution and develop a real policy to enhance the value of the institutional heritage.

The MFA must also prepare investment projects for optimization, expansion, replacement and rehabilitation (IOARRs) to modernize computer equipment, furniture or capital goods in general and seek resources for their implementation.

Despite the aforementioned budgetary limitations, the MFA has made important achievements in foreign policy, to the benefit of national interests. In the last 20 years, the following can be highlighted: the initiative and approval of the Inter-American Democratic Charter (2001); the creation and development of the Pacific Alliance (2010); the Maritime Boundary Agreement with Ecuador (2011); the maritime delimitation with Chile through the judgment of the International Court of Justice in The Hague (2014) that allowed the incorporation of around 50,000 km² to our maritime domain; the Agreement that allowed the exemption of visas for Peruvian citizens in 30 European countries (2016); the approval of various trade agreements including those with the USA (2006), Canada and Singapore (2008), China (2009), Thailand and the countries of the European Free Trade Agreement (Switzerland, Norway, Iceland and Liechtenstein) (2010), the European Union (2011), South Korea and Mexico (2011),

Japan (2012), Australia and the United Kingdom (2020); Comprehensive and Progressive Trans-Pacific Partnership Treaty (2021); non-permanent member of the United Nations Security Council twice in this period (2006-2007 and 2018-2019); the formal invitation to initiate negotiations aimed at Peru becoming a full member of the Organization for Economic Cooperation and Development (OECD) (2022), among others. These results -whose processes in several cases span different governmental periods- show how important it is for foreign policy to be conducted as a State policy, transcending governments and particular junctures. **There is no doubt that Peru's international stature has grown in recent years.**

Looking ahead, we believe that it is necessary to break with the culture of programming only what can be accomplished in order to show better results. In setting its priorities, the Foreign Ministry must take into account the budgetary reality of the country, but also the demands and challenges for foreign policy. In allocating resources, it is essential to take into account not only the history of international relations, but also their potential.

To this end, it is essential to increase our negotiation capacity with the sectors involved in the distribution of the general budget of the Republic (Presidency of the Republic, Ministry of Economy and Finance, Congressional Budget Commission), as well as to improve the way in which the sector's results are presented.

2.3. MANAGEMENT BY PROCESSES, ADMINISTRATIVE SIMPLIFICATION AND INSTITUTIONAL ORGANIZATION

The third pillar is management by processes, administrative simplification and institutional organization. The logic is that after setting the objectives in the policies and plans, and determining the budgetary resources to carry out the actions leading to the fulfillment of such objectives, it is also necessary to analyze whether the entity has an organization and design that are adequate for the fulfillment of such objectives.

It should be recalled that the National Policy for the Modernization of Public Management proposes the incorporation of results-based management in public administration. In this sense, it is also proposed that public entities gradually implement management by processes, assuming that, with this type of management, the entity will be able to provide citizens with more efficient and effective services. Thus, the third pillar implies changing the traditional functional organization model and migrating towards an organization by processes (which may be strategic, missionary and support). In a process-oriented organization, stages that do not add value are eliminated as they are unnecessary or irrelevant. This point is also related to administrative simplification.

To advance in the implementation of this third pillar, the Foreign Ministry has prepared the initial mapping of processes and twenty-two manuals of procedures (MAPRO) for each of the main departments, with the MAPRO of the Deconcentrated Offices remaining. All MAPROs are available on the Foreign Ministry's intranet.

Likewise, the Foreign Ministry prepared the Post Mapping in 2015, the Process Mapping and the Improvement Plan in 2018. Said 2018 process mapping was adapted to the Technical Standard of the PCM and as a result, on March 22, 2002, the current process map of the MFA was approved. This map consists of ten (10) zero level processes (2 strategic, 2 missional and 6 support).

In the development of process management, it is important to continue with the efforts related to **administrative simplification, since it** contributes to improve the quality, efficiency and timeliness of administrative procedures and services that citizens perform before the public administration. The **purpose** of administrative simplification is to eliminate unnecessary obstacles or costs for society, generated by the inadequate functioning of the public administration¹⁶.

It should be noted that by Supreme Decree No. 032-2006-RE, the Single Text of Administrative Procedures (TUPA) of the Ministry of Foreign Affairs was approved; which was amended by Ministerial Resolution No.

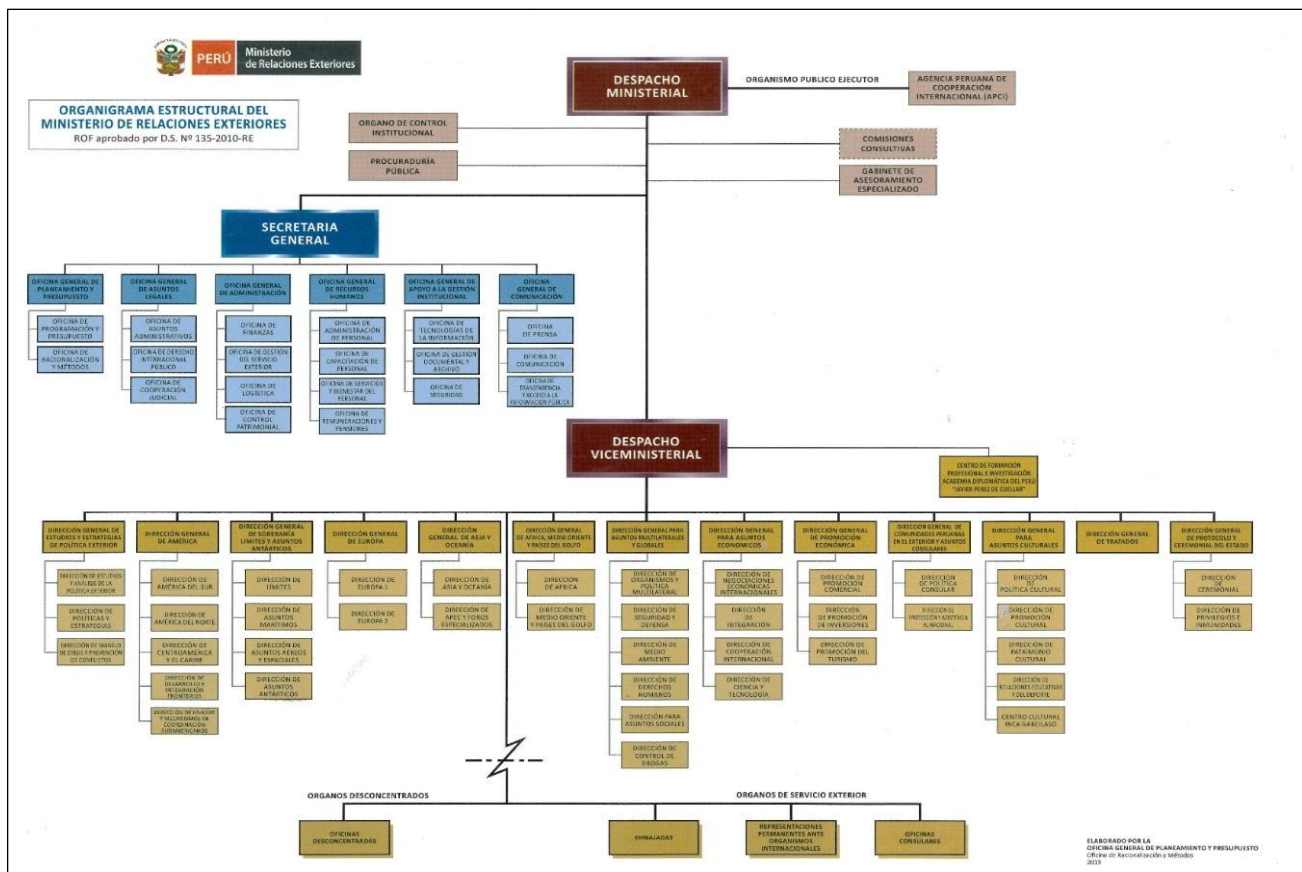
16 Presidencia del Consejo de Ministros (PCM). Simplificación Administrativa en el Perú. Progresos y agenda futura. Lima, Junio 2021. 21 páginas. Available at:

<https://cdn.www.gob.pe/uploads/document/file/1979797/Simplificacion%20Administrativa.pdf.pdf>

1264/RE, dated October 29, 2007, and by Ministerial Resolution No. 0068/RE-2010, dated January 28, 2010, approving the TUPA under the new format established by PCM, which had 62 procedures. Through Supreme Decree No. 033-2013-RE, the new MFA TUPA was approved with 46 procedures (41 administrative procedures and 5 exclusive services). The approval of the TUPA 2013 implied the reduction of 16 procedures to improve user service.

Subsequently, on December 28, 2021, the new Single Text of Administrative Procedures (TUPA) of the MFA was approved by D.S. No. 076-2021-RE, which includes 16 procedures (13 administrative procedures and 3 exclusive services in charge of the MFA). It should be noted that, currently, the 2 most required procedures (legalizations and apostille) of those considered in the TUPA are completed within 24 hours. On the other hand, information technologies have been incorporated to streamline various consular procedures, including the consular sticker management system.

With respect to **institutional organization**, once the entity's priority objectives have been defined, the relevant processes must be identified and, based on them, the entity must organize itself in an adequate manner to efficiently carry out these processes and achieve the expected results in the delivery of the public goods and services for which it is responsible.



This is the current organization chart of the Ministry of Foreign Affairs. After introducing the notion of organization by processes and the question implicit in Pillar 3, "Is the entity adequately organized to ensure the fulfillment of its institutional objectives? Some questions emerge. For example, is it convenient or functional that the Vice Minister has to coordinate directly with thirteen general directors, while the Secretary General has to do so with only six? Is the network of missions abroad, made up of 63 embassies, 69 career consulates and 5 permanent representations to international organizations adequate? Is the number of 15 decentralized offices within the country adequate?

There are also other questions related to the way in which the topics are currently divided. The APEC Directorate is located within the Directorate General for Asia and Oceania, perhaps favoring a geographical approach. But surely -from the thematic approach- there would be arguments to propose that the APEC Directorate should rather be part of the Directorate General for Economic Affairs.

These questions -among others- will be present during the task of updating the organization chart and the rules of organization and functions (ROF) within the framework of the implementation of the

third pillar in the Foreign Ministry. In this perspective, we consider it convenient to bear in mind the following points:

- A better and more agile coordination of the Vice-Minister would imply a smaller number of general directorates.
- In order to improve relations with their peers abroad, the return of the current Directors General to the title of Undersecretaries could be considered.
- It is foreseeable and desirable that the MFA's work with the regions will be strengthened and expanded in the coming years, so the creation of a General Directorate or Undersecretariat for this purpose could be evaluated. Currently, there are 12 operational Deconcentrated Offices (ODEs for their acronym in Spanish) the interior of the country, in addition to 3 more recently created in Moquegua, Ancash and Ayacucho.¹⁷
- Peru's network of missions abroad is an indispensable asset to face the challenges and opportunities that globalization brings. It must adapt and evolve on a permanent basis according to foreign policy priorities, as well as to the human and material resources at its disposal.
- Peru is an economy whose GDP is around USD 245 billion. The following countries are in the range of economies with GDPs above USD 230 billion, but below USD 290 billion: Finland (74 embassies), Vietnam (57 embassies), Romania (92 embassies), Czech Republic (87 embassies), Portugal (78 embassies), Greece (85 embassies). The average of these countries, whose economy size is similar to Peru's, is 79 embassies.¹⁸ Peru currently has 63 embassies.

¹⁷ These three new Deconcentrated Offices were created in June 2022 and will be implemented according to budget availability. Information available at: <https://andina.pe/agencia/noticia-crean-oficinas-desconcentradas-de-cancilleria-ayacucho-ancash-y-moquegua-898804.aspx>

¹⁸ This average has been calculated based on information available at: <https://worldpopulationreview.com/countries/countries-by-gdp>, for GDP per country and for the number of resident embassies in each country, as follows:

Portugal 78 embassies <https://portaldiplomatico.mne.gov.pt/en/bilateral-relations/countries>

Finland 74 embassies <https://um.fi/finland-abroad>

Romania 92 embassies <https://www.mae.ro/en/romanian-missions#795>

Czech Republic 87 embassies

https://www.mzv.cz/jnp/en/diplomatic_missions/czech_missions_abroad/index.html?zn=V-Z

Greece 85 embassies <https://www.mfa.gr/en/greece-bilateral-relations.html>

Vietnam 57 embassies <https://www.embassy-worldwide.com/country/vietnam/>

- Therefore, we believe that Peru should strengthen its current network of Missions, providing them with greater financial resources and intensive use of digital media to try to be consistent with the greater number of Peruvians living abroad (about 3.5 million), the greater number of companies involved in international trade, the greater internationalization of the Peruvian economy, and the greater international stature of Peru in recent years.
- In this regard, the opening of embassies in the Philippines, United Arab Emirates, Kenya, Ethiopia, Iran, Denmark¹⁹ as well as consulates in Seattle and Salt Lake City could be considered.
- The organizational growth strategy should be seen as an investment that seeks to strengthen Peru's presence abroad, so reciprocity should not necessarily be a categorical criterion.
- In this strategy, the corresponding authorities must be committed to allocate resources (MEF, Budget Commission of the Congress). From this perspective, it will be necessary to consider a multi-year budget in order to know in advance what the additional demand for resources and possible sources of funding will be on an annual basis. Depending on the number of missions to be opened on an annual basis, the allocation of resources should be adjusted.
- In a context of limited resources, the MFA should not consider a single model of presence abroad, but rather missions of variable geometry, especially in those countries where representation is being initiated, with reduced fixed costs and specialized functions -one or two diplomatic officials in the field. Such "diplomatic antennae" may have a minimum allocation for operating expenses.
- In some cases, the possibility of having itinerant ambassadors should be evaluated, even from Lima, which would guarantee a minimum representation in certain regions or countries, in order to strengthen Peru's presence.
- Coordination of External Action. The Ministries of Defense, Economy and Finance, Foreign Trade and Tourism, Environment, among others, as well as a plurality of public and private actors

¹⁹ Argentina, Brazil, Chile and Mexico have resident embassies in these six countries. They also have Representative Offices in Ramallah, Palestine.

act and carry out today an important part of their activities in the foreign sphere. To this extent, the MFA must continue with the work of strengthening intersectoral coordination. Foreign policy cannot be the sum of the foreign policies of each of the ministries. It is the Ministry of Foreign Affairs that must guarantee the coherence of the State's foreign management and synthesize the work carried out by a plurality of actors. Within the Office of the Vice Minister, an inter-ministerial coordination unit could be created which, while respecting the technical competencies of other sectors, would promote the necessary greater coherence in the State's external action.

- In this regard, the Ministry of Foreign Affairs should be previously informed by all other public actors of the activities and travel abroad of delegations or representatives, so that the respective Mission can be informed and ensure adequate support. In the external action of other public actors, the MFA should situate the visit or negotiation carried out by another sector in the context of the bilateral or regional relationship within the framework of foreign policy objectives and play the role of facilitator by providing information on the ground.
- A Head of Mission must behave abroad as a manager who manages human, material and financial resources, who designs and conducts strategies to strengthen the bilateral relationship based on institutional objectives, but at the same time performs the duties of coordinator and facilitator of the State's action within his or her sphere of action.
- The MFA should develop cooperation policies with other ministries and public actors. To this end, it is necessary to strengthen the presence of the MFA in other ministries and in the rest of the public administration. Likewise, it is necessary to define a minimum cooperation plan with each of the ministries that develop an important action abroad. The MFA representative in each ministry should be the facilitator of such cooperation.
- Digital diplomacy -understood as the extensive use of the Internet and information and communications technologies in the performance of traditional diplomatic functions- is essential to disseminate credible and timely information in a context in which

the traditional information function of diplomacy has been seriously impacted by the accelerated development of information and communications technologies, the 24/7 coverage of international news, as well as the incessant capacity of different sources -qualified or not- to produce information of all kinds, on any subject, immediately accessible and public on the Internet and social networks. It is recommended the creation of an online channel of the Foreign Ministry projecting the Peruvian foreign policy perspective to the world. This would be in addition to twitter, Facebook and other social media that the Foreign Ministry has.

- Institutional Image Directorate. The Foreign Ministry should have an institutional marketing body in charge of positioning the image of the MFA and its organs within the Peruvian society. In this regard, it should be noted that as of last December 31, the MFA has increased its presence in social networks in the main platforms used by citizens, thus improving the institutional image of the Ministry of Foreign Affairs, as follows: Twitter has increased its followers by 19.1% compared to 2020, MFA currently has 345,089 followers; Facebook has an increase of 12.1%, which means having 220,130 followers; Instagram increased to 27.6% and obtained 17,760 followers; finally on Youtube, MFA's channel has 3,991 followers.
- To enrich the foreign policy formulation and evaluation stage, it is necessary to have an instance within the Ministry of Foreign Affairs to receive opinions, recommendations and inputs from civil society organizations, NGOs, think tanks, non-state actors and the private sector.
- Directorate of Amazonian Affairs. The relevance of having a body that deals transversally with Amazonian affairs (60% of the national territory) and its link with climate change, biodiversity and sustainable development, as central elements of Peru's international agenda, should be evaluated.
- The creation of virtual Ad-hoc Working Groups could be evaluated, as an informal structure, in order to address specific and priority issues of the external agenda relevant to the national development and institutional management agenda (e.g. healthy

and sustainable oceans, vaccine against COVID as a global public good, climate action, international regulation of digital technology, management of transboundary watersheds, energy interconnection and clean energy, physical integration, science and technology, fourth industrial revolution, digital transformation of the Foreign Ministry and knowledge management). The Working Groups (WGs) could report to the heads of the General Directorates in whose area the subject of analysis of the same falls and would be made up of diplomatic officials convened for their knowledge and thematic or regional experience in the same, regardless of the place where they are serving. Their task would be to project specific guidelines for our sector in those priority sectors, to be validated by the Senior Management.

2.4. Meritocratic civil service

The fourth pillar, **meritocratic civil service**, refers to the set of institutional measures by which the rights of public servants and the interests of society are harmonized, and its main purpose is to serve the citizen.

In this sense, the civil service reform initiated by the National Civil Service Authority (SERVIR for its acronym in Spanish) is aimed at improving performance and the positive impact that the exercise of the civil service should have on citizens based on the principles of merit and equal opportunities as the main characteristics of the civil service. To this end, the model is oriented towards the professionalization of the civil service at all levels, seeking to attract qualified people to key positions in the public administration, and prioritizing meritocracy in access, promotion, evaluation and permanence through a human capital management system for the public sector, in line with new employment trends worldwide.

The MFA, like other government entities, is in the process of transitioning to the civil service regime. However, it should be noted that three labor regimes coexist within the MFA. Only two of them

(administrative employees under the regime established by Legislative Decree No. 276 and CAS employees under the regime established by Legislative Decree No. 1057) will transition to the SERVIR regime. The Diplomatic Service of the Republic (SDR for its acronym in Spanish) is a special career, explicitly exempted from the SERVIR regime in the First Final Complementary Provision of the Civil Service Law, and as such, its members are not required to transfer to the SERVIR regime.

It should be noted that employees under the regimes of Legislative Decrees 276 and 1057 may voluntarily transfer to the SERVIR regime after a public merit-based competition. Participation in the competitions to transfer to the new regime does not require prior resignation from the original regime.

The process of transition to SERVIR comprises four stages: preparation, situational analysis, internal improvement and implementation.

- The first stage, preparation, consists of the formation of the transit commission and the development of communication and awareness-raising actions.
- The second stage, situational analysis, consists of the elaboration of the job mapping, process mapping and the elaboration of the improvement plan. Once this stage is completed, the resolution is issued to initiate stage 3.
- The third stage, internal improvement, corresponds to the determination of the optimal number of personnel of the entity, the preparation of the job profile manual (MPP for its acronym in Spanish) and the entity's job table (CPE for its acronym in Spanish).
- The fourth stage, implementation, is the final stage that includes the selection competitions.

What progress has the Foreign Ministry made in this Pillar 4? The MFA is in phase 2 and has complied with the elaboration of the post mapping (2015), process mapping and an improvement plan (2018). However, these last two documents have not been formally sent to SERVIR given that the eventual issuance of the initiation resolution, would imply that the Foreign Ministry would not be able to continue with the development of other labor regimes, such as the current one regulated

by Legislative Decree No. 276, which contemplates annual promotion processes and transfers abroad for these administrative servants. This is a pending issue to be clarified between the MFA and SERVIR.

Likewise, before starting the third stage, it is advisable to have updated management documents such as the Rules of Organization and Functions (ROF), since the post structure should reflect the ROF. Likewise, the Post Mapping is an important input for the determination of the entity's staffing. It should be noted that the Job Mapping that was worked on for the MFA dates back to 2015 and it is possible that some updating may be required in order to have a staffing structure that is closer to the entity's reality.

The transition to SERVIR implies that the administrative workers of the MFA (who are under the labor regime D.Leg. 276 and D.Leg. 1057) will have a single legal framework and may have the same benefits, i.e., 14 salaries per year, vacations, social security and the possibility of applying for any position within the State, according to their abilities. They would also have an opportunity for professional growth through career progression and salary standardization (according to MEF scales). Job stability is achieved through the fulfillment of goals, which is part of performance management.

In order to move forward in this process, the MFA must define with SERVIR what the new course of action should be, taking into account the new provisions contained in Directive N°001-2021-SERVIR-GDSRH called *"Guidelines for the transition of a public entity to the Civil Service regime"*, approved by Resolution of the Executive Presidency N° 000068-2021-SERVIR-PE, published on April 14, 2021.

In this regard, the MFA's Position Classification Manual and the MFA's Provisional Personnel Assignment Table - CAP Provisional - should be updated in light of the new provisions of Directive No. 006-2021-SERVIR-GDSRH *"Preparation of the Position Classification Manual and the Provisional Personnel Assignment Table"* approved by Executive Presidential Resolution No. 000150-2021-SERVIR, which entered into force on November 22, 2021. Likewise, the Analytical Personnel Budget (PAP for its acronym in Spanish) must be updated. This is important, since the approval of the CAP and the PAP is the requirement to update

the information in the Computerized Application for Human Resources in the Public Sector (AIRHSP for its acronym in Spanish), which has an impact on the fiscal management of human resources and on the budget that can be submitted to the MEF for remunerations.

As of January 2022, the MFA has a total of 2,414 employees, of which 1,354 serve abroad (56%) and 1,060 in Lima (44%). Of this total, 724 are diplomats (30%), 209 are administrative officials under the D. Leg. 276 regime (9%), 579 are CAS (24%), 856 are personnel hired locally by the Foreign Service Agencies (35%) and the remaining 2% are trust personnel, personnel hired under the PAC and FAG regimes, among others.

The Diplomatic Service of the Republic (SDR for its acronym in Spanish) is the main professional body of the institution and is the oldest and most institutionalized of the civilian bodies of the State, with a long tradition and recognized personalities. It has a body of officials with experience, a network of contacts and negotiating skills, making it a key element in the design and execution of foreign policy.

55% of diplomatic officials work abroad and 45% in Peru. Of a total of 400 officials abroad, 53% (214 officials) work in Embassies, 39% (155) in Consulates and 8% (31) in Representations to International Organizations.

The SDR is made up of 28% women and 72% men, with an increasing proportion of women in each of the diplomatic categories.

Between 1990 and 2022, the RDS increased by 42%, from 509 to 724 officials. During this period, the number of ambassadors increased by 21.5%, from 79 to 96, and the number of ministers increased by 137%, from 54 to 128. This growth mainly occurred between 1990 and 2010, and from that year on, the number of ambassadors decreased and stabilized in the case of ministers, since the MFA introduced new criteria to optimize human resources planning in order to balance the number of officials in the higher categories with the management positions and positions of greater responsibility.

However, there are still some distortions that need to be corrected, such as the number of senior and specialized advisors, as well as officials in the ambassador and minister categories who are occupying positions of lesser responsibility.

Between 2010 and 2022, the categories of third secretary and second secretary grew the most, 90% and 52% respectively, while the other categories had the following variations: ambassador -12%, minister 1%, minister-counselor 1%, counselor -9% and first secretary -3%.

As of January 2022, the SDR has 96 ambassadors representing 13% of the total number of officials, with the category of ministers with 128 officials (18%) being the category with the highest demographics.

The number of middle management officials (minister-counselors and counselors) with a total of 204 officials represents 28% and the number of first level officials (secretaries) with a total of 296 officials represents a total of 41%.

In the last promotion process carried out in 2021, out of a total of 312 staff members who were eligible, 32% were promoted to a higher category (99 staff members) and 213 did not reach a vacancy.

As officials move up through the ranks, the percentage of officials who are promoted becomes smaller and smaller in order to match the diplomatic demographics to the number of positions available within the organizational structure. In that year, 68% of eligible third secretaries (25 officials) were promoted to second secretary, while only 11% of ministers were promoted to ambassador (9 officials).

This situation could be affecting organizational morale (work environment, satisfaction, motivation, cohesion and institutional commitment, in short, productivity). However, this situation should not necessarily be addressed by increasing the number of vacancies, since these should be associated with the needs of the service (positions and posts), but rather through other labor incentives (rotations, recognition, higher income for years of service, recognition of the service time of officials who work in international organizations -not those who are assigned there, but those who have been able to find a position on their own initiative-, promoting that diplomatic officials can hold managerial positions in other ministries or entities and that, likewise, can be recognized as service time, etc.)

With regard to the positions established for the members of the Diplomatic Service of the Republic (SDR for its acronym in Spanish), there is great flexibility to be occupied by various diplomatic categories

(Director of Deconcentrated Office -ODE for its acronym in Spanish, Head of Office, Director, Head of Office, Deputy Director, Head of Unit, Head of Department). However, this situation makes it difficult to determine the real need for officials by category, and could also imply that promotion does not necessarily imply assuming positions of greater responsibility. For example, the position of ODE Director can be assumed from the level of first secretary to ambassador.

What should be the optimal demographics of the SDR, what should be the optimal number of staff per category, is it possible to determine a set of variables that would allow a projection of vacancies across all categories, is it possible to determine a set of variables that would allow a projection of vacancies across all categories?

In order to answer these questions, the MFA must have a model for managing the organization's human resources that integrates all processes. The recruitment rate should be linked to the rate of expansion of the organizational structure, the growth in the number of missions, promotion and retirement rates, as well as budget availability. It should be noted that the first steps towards such a model have already been taken by the General Secretariat and the General Office of Human Resources of the MFA.

In order to strengthen these tasks, it is essential for the MFA to have specialists in the area of human resources to ensure a better application of the concepts and techniques developed in this area.

The MFA must precisely define an institutional strengthening strategy at the service of a Foreign Policy that responds to the country's level of social, economic, political and cultural development. To this end, within the framework of strategic management, the MFA must align the scope of its foreign policy with its strategy, structure and organizational design, as well as with its human, budgetary, technological and infrastructure resources.

This will make it possible to determine the optimal size of the SDR, both in Peru and abroad, based on foreign policy priorities and the level of importance of each Mission for the latter, as well as at the category level, and by gender, in the short, medium and long term.

2.5. Information, follow-up, monitoring, evaluation and knowledge management system

The fifth pillar comprises the information, follow-up, monitoring, evaluation and knowledge management system. This system aims to establish a process for collecting, organizing and analyzing data with the objective of converting them into useful information for decision-making. The implicit logical sequence is that statistics provide data, data allow the development of indicators, indicators provide information and information contributes to knowledge management.

The information system for follow-up, monitoring and evaluation must design the processes of standardization, collection, systematization and analysis of information, from the initial design stage of the indicators to the results and impact evaluations. If we do not standardize the information, we cannot exploit it. If each official writes and reports "in his or her own way", we cannot systematize it, much less analyze it (compare it). Standardization is the necessary condition for the rest to work, especially with *"Big Data"*.

The information system for monitoring and evaluation is based on quantitative and qualitative indicators of results and impact, designed in the institutional strategic plans. These should be simple, measurable, achievable, results-oriented and time-bound.

What do we need monitoring and evaluation for? They should aim at improving: i) the study of citizen needs; ii) process management; iii) costing and optimization of value chain activities; iv) organizational structure; v) work coordination; vi) organizational climate; vii) capacities and competencies of public servants; viii) manuals, procedures, formats; among others.

In short, it is crucial for an institution to develop the capacity not only to produce but also to manage and systematize information, since the quality of the dissemination and accountability of the partial and final results of the entity's management depends on it. Successful results in the management of an entity contribute to creating and maintaining a positive and relevant institutional image for the community.

What progress has the Foreign Ministry made in this fifth pillar?

The Foreign Ministry has implemented certain improvements in the institutional portal, intranet and integrated document system. The

context of the pandemic generated a greater need to move towards an accelerated virtualization of procedures and services to the public, as well as to allow an efficient institutional progress in a scenario of prevalence of teleworking, due to the isolation, confinement and social distancing because of COVID-19 pandemic.

In this regard, **it is worth highlighting the progress in the digital transformation of the MFA's IT infrastructure in a context of increasing teleworking, as evidenced by the new collaborative platform and new institutional electronic messaging system, implemented in May 2021.** This has allowed for an improved email service, with a powerful search engine and 50 GB of cloud storage. Until June 2020, the Chancellery's personal email account had only 0.7 GB of storage.

We also now have the latest versions of Office, cloud storage, the Teams application, which is a tool for virtual meetings, with the capacity for video calls, organizing work teams in the cloud, exchanging files, editing documents *online*, creating "wikis" -an information organization and storage system similar to Wikipedia-, automating procedures, such as coordination with our Foreign Service agencies, among others.

Likewise, as of February 2022, **the communications management system has been integrated, which now includes both the MFA's units in the country and its 137 missions abroad.** As a result, the cable (which was the means used to communicate from Lima with the missions abroad and vice versa) has been eliminated and all units and missions now communicate through the memorandum in a single document processing system (STD).

The Foreign Ministry has also made progress in the design and implementation of applications and programs aimed at making institutional management and citizen services more efficient. To date, **the Foreign Ministry has the following 22 platforms or digital services:** (i) registration of returned Peruvians; (ii) online appointments for National Assistance; (iii) citizen services portal; (iv) procedures for refugees; (v) MFA open data portal; (vi) access to public information; (vii) complaints book; (viii) standard transparency portal; (ix) institutional transparency portal; (x) virtual desk and consultation of procedures; (xi) the digital desk; (xii) reinforcement of the

legalization and apostille system; xiii) apostille and legalization consultation; xiv) migration activities system -MFA; xv) online visa applications; xvi) external passport and visa consultation; xvii) communications management system; xviii) virtual document delivery system; xix) public deeds system; xx) civil registry system; xxi) consular sticker management system; and xxii) system for issuing foreigners' cards.

Likewise, it should be noted that in 2021 the **computer application for the online rendering of accounts of the Foreign Service Organs (SGSE)** was enhanced. In this regard, the functionality that allows the missions to enter the information regarding the expenses incurred against the regular and extraordinary allowances granted was enabled. It should be noted that, as of the second half of 2021, the missions must submit their accounts exclusively through the SGSE, in accordance with the provisions of Article 5 of Ministerial Resolution No. 0663-2020-RE, which approves the Regulations on the Allocations of the Foreign Service Bodies.

It is recommended that this SGSE be expanded to include modules so that the Missions can not only record their expenses, but also make projections, obtain management reports that support the decision-making process at the General Secretariat, reports on the execution of investments abroad, asset inventories, statements of real estate and official vehicles, the status of sworn statements to be submitted by officials, lists of locally hired personnel, and other similar items that contribute to modern management of the human and financial resources of the Foreign Service Agencies.

Likewise, as part of the improvements in the planning, monitoring and evaluation process, the **online application "App PEI" was designed and developed to provide the MFA with immediate information on strategic indicators (at any time and place) for decision making, automating the monitoring and evaluation phase.** This application also reduces the margin of error and time when entering and processing information.

On the other hand, in the area of knowledge management, the Statistics Unit has been created within the OPP. This Unit collects, processes, analyzes and disseminates statistical information from the MFA's organizational units. It is updating the statistical information database, publications: bulletins, reports and the external user satisfaction survey

on the services provided by the MFA. Likewise, the **MFA's statistical matrix is being completed**, initially prepared in *Power Pivot* but updated in *Power Bi*, which allows comparing statistical data between two or more Foreign Service bodies and can be an objective tool for decision making by Senior Management.

The following documents have been approved for the monitoring and evaluation of strategic and operational plans to assess progress in achieving results for the benefit of the population during 2021 and as of May 2022:

- POI monitoring report, corresponding to the year 2020.
- POI monitoring report, corresponding to the first half of 2021.
- POI monitoring report, corresponding to the year 2021.
- PEI monitoring report, corresponding to the year 2020.
- PEI monitoring report, corresponding to the year 2021.
- PESEM monitoring report, corresponding to the year 2020.
- PESEM implementation evaluation report, corresponding to the year 2020.
- PEI results evaluation report, corresponding to the year 2020.
- POI implementation evaluation report, corresponding to the year 2020.
- POI implementation evaluation report, corresponding to the first half of the year 2021.
- PEI and POI results evaluation report, corresponding to the year 2021.

It should be noted that the lack of national policies approved by the MFA does not allow for a more impactful evaluation of results.

In perspective, the following challenges can be identified:

Articulation of applications: Various processes in the MFA are carried out with their own IT solutions. For example, this is the case of the system for legalizations and apostilles (RESLA) or the system for the verification of public deeds (SVEP) used by the DGC. On the other hand, there is an application that is used to attend to refugee requests received by the MFA as President of the Commission for the matter, which is being provided by UNHCR. This scenario of dispersion and limited comprehensiveness demands greater efforts to coordinate among the

competent bodies, to know their budgetary demands and to explore, from an integral and managerial perspective, alternatives to improve services. Therefore, it is recommended to evaluate the technical options to articulate these applications, from a sort of "master portal" that would allow easy access, as well as the preparation of management reports that would serve as instruments for better decision-making at the top administrative level.

Development of additional applications: Processes and communications can be standardized in the MFA. In terms of processes, the rendering of accounts for ordinary and extraordinary allocations, as well as the acquisition of capital goods, are already standardized. In the short term, the MFA should standardize and develop applications for the issuance of Resolutions and the approval of extraordinary allocations for MFA bodies abroad. In the case of communications, the format for the preparation of annual reports has already been standardized. In the short term, messages, memory aids, Wikis, etc. could be standardized.

Knowledge management: This is a very necessary task in the MFA. The Foreign Ministry produces quite a lot of information on a daily basis in its 137 missions abroad, 12 decentralized offices in the interior of the country and in the various offices of its headquarters in Lima. But this information is not organized, systematized or readily available to enhance the work and daily management of officials deployed around the world. We must improve knowledge management. Presentations on César Vallejo or Peruvian Gastronomy are made several times a year, in different languages, but most likely, for example, the Third Secretary in Bucharest will have to start from scratch, without having access to the presentations made by his senior colleagues in previous years. It is recommended that the digital diplomacy strategy include the possibility of developing on the institutional intranet what a former Vice-Chancellor called the "Torre Tagle's google", as well as the creation of a sort of institutional Wikipedia online²⁰, based on the contributions that can be uploaded by officials. This processed information would be very useful for the better performance of traditional functions, including

20 The US State Department has implemented what it calls Diplopedia, which already has more than 14,000 terms developed collectively by officials, as noted by Olubukola Adesina in her article *Foreign Policy in an era of digital diplomacy*. Disponible en: <https://www.tandfonline.com/doi/full/10.1080/23311886.2017.1297175>

negotiation, information, consular assistance, economic and cultural promotion.

Towards the application of artificial intelligence: The standardization of processes and data collection are not an end in themselves. They would allow the MFA to use artificial intelligence and *machine learning* to reduce errors, increase productivity, enhance prognostic capacity, improve the MFA's service catalog, and better articulate planning and budgeting processes. This technology can enhance the management of an effective, clear and flexible foreign policy, at the service of national interests.

Migration of the communications management system - The project to improve the document management platform must be continued and completed, implementing an integrated system from which the MFA's document flow processes are executed (documents reception desk, memoranda, transaction sheets, incoming and outgoing documents). The purpose is to provide the MFA with an updated technological platform that allows the use of an integrated online system, including the implementation of automatic mechanisms for information exchange with other State institutions and the use of electronic signatures, among others. One advantage of concluding this migration would be to achieve the use of a single systems development platform in the MFA, which would mean savings of up to 40% in licensing costs and operational maintenance of information systems.

3.CONCLUSIONS

For the fulfillment of its functions and the execution of Peruvian foreign policy, the Ministry of Foreign Affairs had, as of January 1, 2022, an Opening Institutional Budget (PIA) of around S/ 836.2 million soles (equivalent to approximately USD 220 million dollars); a central headquarters in Lima; a network of 137 missions abroad (63 embassies, 69 career consulates and 5 representations before international organizations), 12 deconcentrated offices throughout the national territory; and an estimated 2,424 civil servants (724 diplomats, 209 administrative civil servants under the D.Leg. 276 regime, 579 CAS civil servants, 856 employees hired locally by the missions abroad and 46 trust employees and personnel under the FAG and PAC regime).

The Foreign Ministry must adjust the scope and level of ambition of its foreign policy to the greater challenges and opportunities that Peru is facing in its development process, both domestically and internationally. In order to optimize the contribution of foreign policy and diplomatic action to national development, the Foreign Ministry must seek an alignment between the strategic path to follow, the most appropriate organizational structure, the level of organizational positioning both in Peru and abroad, as well as the necessary human, financial and technological resources.

By way of conclusions, the following table lists the progress, achievements, challenges and recommendations with respect to each of the five pillars of the national public management modernization policy and its implementation in the Ministry of Foreign Affairs.

Translated with AI support.

1st PILLAR OF THE NPMPM: Public policies, strategic and operational plans

PROGRESS/ ACHIEVEMENTS

MFA was the first institution of the Executive Branch to approve the inventory of its policies in 2019: Migration, Antarctica, Border Development and Integration, International Cooperation.

1.1.a. Inclusion, in 2021, of a transversal guideline related to Foreign Policy, as well as strategic objectives and actions: "Establish an articulated and coherent action of the country's foreign policy", within the Strategic Plan for National Development to 2050.

CHALLENGES

To date, none of these policies have been developed following CEPLAN's methodology and therefore have not been approved by CEPLAN.

1.2.a. The inventory of Foreign Ministry policies does not necessarily reflect the *core business* of what our institution actually does (for example, bilateral, multilateral and consular functions, among others).

1.2.b. Improve the quality and timeliness of programming throughout the MFA. Poor planning and the absence of correct indicators for follow-up affect not only the aspirations of obtaining greater resources for foreign policy, but also complicate its administration, obtaining them in an inertial manner, based on historical budgets, with no prospect of growth.

RECOMMENDATIONS

1.3. Identify and make visible the participation and contribution of the MFA to the fulfillment of the policy objectives of other sectors so that the Foreign Ministry is in a better position to obtain greater budgetary resources.

1.3.a. The MFA Services Catalog must be kept up to date. Its next version should include services from embassies, consulates and permanent representations, emphasizing end-user services.

1.3.b. The current methodology focuses on formulating policies for public problems. The Foreign Ministry could explore the possibility of formulating policies to take advantage of opportunities.

1.3.c. Very close coordination between OPP and DEE is required, and the merger of these two agencies should be evaluated in the future, or OPP should be maintained as the office responsible for the Administrative Planning System as established in the Law of Organization and Functions of the Ministry of Foreign Affairs (Law No. 29357) and a strategy area should be created as a foreign policy advisory body reporting directly to the FA Minister.

1.3.d. The strategic and operational plans should be closely linked to the Instructions received by the Heads of Mission Abroad, as well as to the sectoral objectives of other ministries to which the Ministry of Foreign Affairs could contribute. The Annual Reports of the Missions should include an account of the progress made in their respective Instruction Sheets.

2nd PILLAR OF THE NPMPM: Budget for results

PROGRESS/ ACHIEVEMENTS

2.1. The Foreign Ministry currently has two budgetary programs: PP No. 0062 "Optimization of the policy of protection and care of Peruvian communities abroad", and PP No. 0133 "Strengthening of foreign policy and diplomatic action".

2.1.a. 74.44% of the MFA budget in 2022 is destined to finance two budgetary programs.

CHALLENGES

2.2. Improve the quantification and development of indicators for performance measurement. In addition, there is ample space in the MFA to develop and improve the culture of budget programming.

2.2.a. The uniqueness of foreign policy lies in the fact that much of the diplomatic work and foreign policy results are intangible, constitute intermediate goods in the public value chain or cannot be easily adapted to the methodology used to measure the performance of public entities. Not because of this particularity, we should not lose sight of the enormous contribution of the Foreign Ministry to advance national objectives in the uncertain and competitive international scenario.

2.2.b In the case of the Foreign Ministry, the relationship between the increase in the budget and the increase in the production of indicators and goals of the budgetary programs is not always direct, linear or automatic.

RECOMMENDATIONS

2.3. In the process of programming and supporting budgetary requirements, the unique nature of the Foreign Affairs sector should be emphasized.

2.3.a. The Foreign Ministry should evaluate the possibility of opting for internal or external debt operations to access the purchase of premises, in order to capitalize the institution and develop a true policy of enhancing the value of the institutional patrimony.

2.3.b. The MFA must also prepare investment projects for optimization, expansion, replacement and rehabilitation (IOARRs) to modernize computer equipment, furniture or capital goods in general and seek resources for their implementation.

3rd PILLAR OF THE NPMPM: Management by processes, administrative simplification and institutional organization.

PROGRESS/ ACHIEVEMENTS

The Chancery has approved the process map (2022) and twenty-two procedures manuals (MAPRO) for each of the main units.

CHALLENGES

3.2. Update the organizational chart and the Rules and Regulations of Organization and Functions (ROF).

RECOMMENDATIONS

Peru has a GDP equivalent to USD 245 billion. Countries whose GDP is in the range of USD 230 billion and USD 290 billion have an average of 79 embassies. Peru has 63 embassies.

3.3.a. Peru should increase the number of embassies and consulates to try to be consistent with the greater number of Peruvians living abroad (about 3.5 million), the greater number of companies involved in international trade, the greater internationalization of the Peruvian economy, and Peru's greater international stature in recent years.

3.3.b. Evaluate the opening of embassies in the Philippines, United Arab Emirates, Kenya, Ethiopia, Iran, Denmark, as well as consulates in Seattle and Salt Lake City.

3.3.c. The MFA should not consider a single model of presence abroad, but rather missions of variable geometry, especially in those countries where representation is being initiated.

3.3.d. The MFA must ensure the coherence of the State's external management and synthesize the work carried out by a plurality of actors. An inter-ministerial coordination unit could be created within the Office of the Vice-Minister that, while respecting the technical competencies of other sectors, would promote the necessary greater coherence in the State's external action.

3.3.e. In order to improve relations with their peers abroad, the return to the title of Undersecretaries for the current Directors General could be considered.

3.3.f. Evaluate the creation of a Directorate of Institutional Image, General Directorate of Integration and Border Development, Directorate of Amazonian Affairs, virtual Ad-hoc Working Groups to develop specific and priority foreign policy issues, as well as to increase the number of ODEs.

4th PILLAR OF THE NPMPM: Merit-based civil service

PROGRESS/ ACHIEVEMENTS

4.1. Of the 4 stages that comprise the process of transition to SERVIR, the MFA is in phase 2 and has complied with the preparation of a job mapping (2015), process mapping and an improvement plan (2018). However, these last two documents have not been formally sent to SERVIR.

CHALLENGES

4.2. Three labor regimes coexist within the MFA.

Only two of them (administrative employees under the regime established by Legislative Decree No. 276 and CAS employees under the regime established by Legislative Decree No. 1057) will be transferred to the SERVIR regime.

4.2.a. The Diplomatic Service of the Republic (SDR) is a special career, explicitly exempted from the SERVIR regime in the First Final Complementary Provision of the Civil Service Law, and as such, its members are not required to join the SERVIR regime.

4.2.b. There are some distortions that need to be corrected, such as the number of senior and specialized advisors, as well as ambassadors and ministers in positions of lesser responsibility.

4.2.c. As staff members move up through the ranks, the percentage of staff members who are promoted becomes lower and lower. This situation should not necessarily be addressed by increasing the number of vacancies, as these should be associated with the needs of the service (positions and posts), but rather through other work incentives.

RECOMMENDATIONS

4.3. Before starting the third stage, it is advisable to have updated management documents such as the Rules of Organization and Functions (ROF).

4.3.a. The MFA's Job Classification Manual, the MFA's Provisional Personnel Assignment Table- CAP Provisional, and the Analytical Personnel Budget (PAP) must be updated. This is important, given that the approval of the CAP and the PAP is a requirement to update the information in the Public Sector Human Resources Computer Application (AIRHSP), which has an impact on the fiscal management of human resources and the budget for remunerations.

4.3.b. The MFA must have a model for managing the organization's human resources that integrates all processes. The recruitment rate should be linked to the rate of expansion of the organizational structure, growth in the number of missions, promotion and retirement rates, as well as budget availability.

5th PILLAR OF THE NPMPM: Information, follow-up, monitoring, evaluation and knowledge management system.

PROGRESS/ ACHIEVEMENTS	5.1. The Chancery has implemented certain improvements in the institutional portal, intranet and the integrated document system.	5.1.a. Within the framework of the pandemic, there has been progress in the digital transformation of the MFA's IT infrastructure in a context of increasing teleworking, as evidenced by the new collaborative platform and the new institutional electronic messaging system.	5.1.b. The communications management system has been integrated, which includes both the MFA's units in the country and its 137 missions abroad. All units and missions now communicate through the memorandum in a single document processing system (STD).
CHALLENGES	5.2. The Foreign Ministry produces a great deal of information on a daily basis in its 137 missions abroad, 12 decentralized offices in the interior of the country and in the various offices of its headquarters in Lima. But this information is not organized, systematized or readily available to enhance the work and daily management of officials deployed around the world.	5.3.a. Complete the MFA Statistics Matrix, in Power Bi, which allows comparison of statistical data between two or more Foreign service bodies and can be an objective tool for decision making by Senior Management.	5.3.b. As part of knowledge management, the aim should be to develop a sort of "Torre Tagle's Google", as well as an online institutional Wikipedia, based on the contributions that can be uploaded by officials. This processed information would be very useful for the better performance of traditional functions, including negotiation, information, consular assistance, economic and cultural promotion.
RECOMMENDATIONS	5.3. Expand the Foreign Service Management System (SGSE) to include modules that contribute to the modern management of human and financial resources of the Foreign Service Organs, in order to obtain management reports that support the decision of the General Secretariat.	5.3.c. Keep in mind that process standardization and data collection are not an end in themselves. They would allow the MFA to use artificial intelligence and machine learning in order to reduce errors, increase productivity, enhance prognosis capacity, improve the MFA's service catalog, and better articulate planning and budgeting processes. This technology can enhance the management of an effective, clear and flexible foreign policy, at the service of national interests.	

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