

Peru has not yet articulated a nationally owned multi-sectoral strategy, that cuts across a range of policy areas, to respond to the multi-faceted problem of informality. However, it has formulated several sectorial strategies that considered together address some of the main issues. The project aligns its priorities to the above mentioned national strategies.

The Overall Objective is to promote formal economy and job formalization for increased social cohesion in Peru generating better opportunities for decent and productive work for youth, women, migrants and those people living in the most vulnerable situations (people with disabilities, indigenous people, racial and sexual minorities, domestic workers and those in precarious employment).

The Specific Objectives (Outcomes) are:

- 1) Promote the formalization of micro, small and medium enterprises (MSMEs) and formalize wage employment,
- 2) Promote “pro-employment growth” by strengthening a productive chain with high potential for generating formal employment,
- 3) Generate better opportunities for decent work and productive jobs for youth, women, migrants and those people living in the most vulnerable situations (people with disabilities, indigenous people, racial and sexual minorities, domestic workers and those in precarious employment).

The EU is a reference and privileged partner in the field. Based on relevant experience, EU added value and alignment with the ongoing bilateral programme “Towards a Universal, Inclusive Social Protection System (SPS), with equal opportunities for women and men – Peru Social”, the proposed action will consolidate the efforts done and contribute for an increased impact whilst building on a privileged dialogue with the concerned Ministries.

The programme is in line with the MIP 2021 – 2024 priority 2 on Human Development, specific objective 2.1 “Social protection networks and fundamental rights are strengthened”.

The action will contribute to the EU Gender Action Plan III¹, in particular to its thematic area: “Promoting economic and social rights and empowering girls and women”. Likewise, it will contribute to the implementation of the EU Strategy on the Rights of Persons with Disabilities², and the EU’s Action Plan on Human Rights and Democracy 2020-2024³.

The 3 MEUR Action shall be implemented by delegated cooperation with EU Member State(s).

1.3 Zone benefitting from the Action

The Action shall be carried out in Peru, country included in the list of ODA recipients

2 RATIONALE

2.1 Context

While the economic situation and perspectives of Peru remained solid, political fragility has increased significantly in the country during the last decade. The lack of social cohesion and persistence of inequalities - that have been regularly reported by the OECD - are clearly a weight backward for the development of the country. Peru was one of the LAC countries most affected by the COVID 19 pandemic, with the biggest number of death rate in the health sector, showing the fragility of the country population

¹ https://commission.europa.eu/system/files/2020-11/lgbtiq_factsheet_2020-2025_en.pdf

² <https://ec.europa.eu/social/main.jsp?catId=1484&langId=en>

³ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12122-Human-rights-and-democracy-in-the-EU-2020-24-action-plan_en