Statement by Robert Holland  
Date of Meeting: November 11, 2003

**Programmatic Social Reform Loan III to the Republic of Peru**

We commend the Government of Peru for its accomplishments in making substantial progress across a broad spectrum of legislative, budget, management, and programmatic actions that were triggers for the PSRL III and for remaining within compliance on the CAS High Case lending scenario triggers. GOP officials and Bank staff are to be commended on this excellent record: on the quality of both what has been accomplished and the presentation. We support the proposed loan.

We look forward to continued progress in results monitoring in PRSL III and to the development of a M&E system for the social programs under PRSL IV as discussed in Annex 4. We believe it is important that annual impact indicators be developed that tie back to the medium-term (2006) anti-poverty, health, education, and governance goals established by the GOP. Without such indicators, it will be difficult to judge whether the efforts to improve government systems and policies are having the desired effect.