

## Experience Spotlight: Peru

### Creation of a Multisectoral Working Group to prepare the implementation of the Nationally Determined Contribution (NDC)

June 2020

#### Setting the Scene

Climate action has become increasingly relevant in Peru<sup>1</sup>. From the highest level it is understood as a key area for the general well-being of the nation and an opportunity to transform towards a low-carbon and climate-resilient economy. Consequently, as a first strategic action, in 2016 the Peruvian State established the temporary “Multisectoral Technical Group” (*Grupo de Trabajo Multisectorial- GTM-NDC*) in charge of generating technical information to guide the implementation of Nationally Determined Contribution. The GTM-NDC was led by the Ministry of Environment (MINAM) who is responsible for the design and implementation of integral climate change management. The mandate of the GTM-NDC was to generate technical information to prioritize activities and investments necessary to achieve the national goal of reducing GHG emissions by 30% by 2030.<sup>2</sup>

#### Peru's NDC

Reduce GHG emissions 20% vs. BAU by 2030 with national resources and participation of the private sector; and a 30% reduction target by 2030 with international climate support.

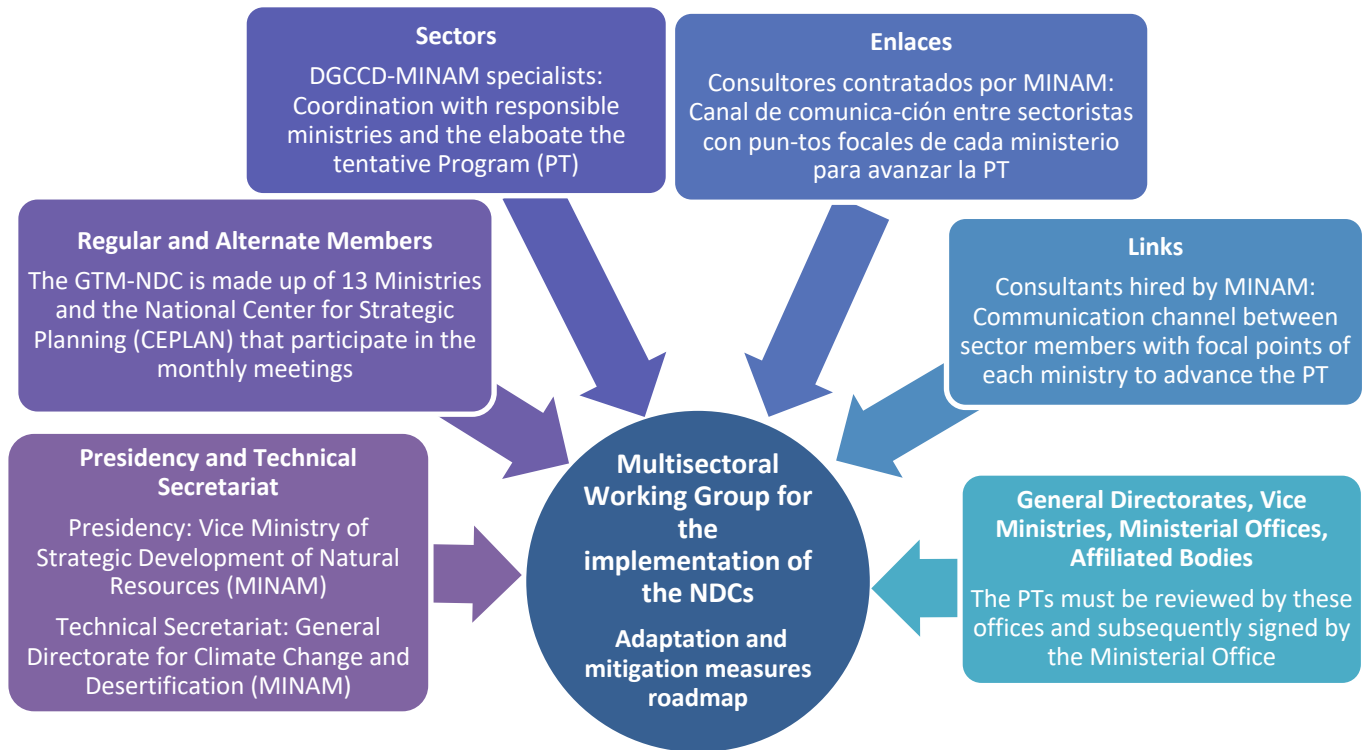
The GTM-NDC used a novel methodology for the country, with multisectoral coordination between and within government sectors, the public sector, the private sector, indigenous populations, civil society, academia and involved international cooperation. The outputs of the GTM-NDC were developed through 26 discussion spaces called “*Dialoguemos sobre las NDC en el Perú*”, which were held between October 2017 and November 2018 in all regions of the country and with the participation of more than 1,500 actors from all over the country.

The GTM-NDC was created to develop general guidelines for government sectors directly related to preparation of the NDC; specifically in terms of quantifying sector contributions; identify those responsible for implementation and the resources necessary for commissioning it and to provide a signal for private sector investments related to decarbonization of the economy.

The Group functioned through regular monthly sessions with sectoral working groups and thematic workshops, as well as extraordinary high-level sessions. As a result, each sector (Energy, Production, Solid Waste, Transportation, Agriculture, Forests and Construction) developed a roadmap to promote enabling conditions that would allow the NDC's goals to be achieved in the short and medium term, acting as a first signal, for public and private investment, towards the transition to a low carbon economy. The [62 mitigation measures](#) and [91 adaption measures](#) proposed in the country's NDC are reflected in the roadmap. Although the GTM-NDC was established to make a significant contribution to the technical work necessary to develop a robust NDC, its implementation did encounter some challenges, including: i) Informing and raising awareness of the impacts and consequences of climate change and the role that each institution plays to tackle the problem; ii) Organizing and coordinating thematically-defined work subgroups; and iii) Incorporating regional and local governments once the work had been launched at the central level (2017).

<sup>1</sup> Peru ratified the Paris agreement (July 2016) before it was adopted by the Conference of the Parties to the UNFCCC (November 2016)

<sup>2</sup> This refers to the original NDC target, before the updated 35% target delivered to COP25)



**Main Actors involved in the MTG-NDC**

## Key Considerations & Improvements

Various specialists interviewed<sup>3</sup> agree that the experience with the GTM-NDC served to generate a plural community to discuss climate policy, deepen knowledge, interact with multiple actors, and prioritize policies and investments. Now however, detailing the enabling conditions of the mitigation and adaptation actions is the next challenge to strengthen implementation-especially considering that there is limited knowledge of tools, methodologies, metrics, finance and standards. In this context, the multilateral exchange promoted by the Pacific Alliance, especially through the MRV Technical Subgroup, comes as an opportunity to exchange experiences and work methods for identifying challenges, overcoming barriers, and proposing institutional designs for implementation of mitigation actions that respond to the domestic needs of each country.

Although the work of the GTM-NDC opened the climate discussion to the main incumbent sectors, the questions that arise at this stage of setting priority and planning actions are:

- How will implementation of the NDC be distributed and carried out at the different levels of government?
- How can effective collaboration between the public and private sectors be facilitated?

The conclusions reached in the Report "[Baseline of MRV of Mitigation Activities in Peru](#)" attempts to answer these questions. In effect, a favorable environment was found, with various regulatory instruments and a group of professionals at the central government level willing to implement the mitigation actions identified in each sector.

<sup>3</sup> During the elaboration of the document "Baseline of MRV of mitigation activities in Peru", more than 10 specialists were interviewed for a preliminary evaluation of GTM-NDC's work.

However, it is evident that more than goodwill is required to 'institutionalize' the instances of multisectoral discussion and cooperation. Along these lines, the State has developed, and is evolving various instruments that will facilitate implementation, monitoring and transparency of multiple measures and instruments, such as: [INFOCARBONO](#), [guidelines for developing national inventories](#), [Carbon Footprint Peru](#), the National Registry of Mitigation Measures<sup>4</sup>, the MRV System of Mitigation Actions<sup>5</sup>, [the REDD+13 Registry](#), and the Climate Finance Registry<sup>6</sup>.

For mitigation actions, the State is creating a Monitoring Platform whose scope is the measurement, reporting and verification (MRV) of emissions, removals, emission reductions and improvements in GHG removals, monitoring and evaluation (M&E) of adaptation measures, and monitoring and reporting of climate financing<sup>7</sup>.

The National Registry of Mitigation Actions considers government measures, those that apply to external carbon credit mechanisms, those that fall under the Peruvian National Standard and those that apply to international transactions. MINAM and other national or sub-national authorities will be able to apply for greater financing through market mechanisms such as: regulated carbon markets, Internationally Transferred Mitigation Outcomes (ITMO), external carbon credit mechanisms (CDM, VCS, GS, SDM), share emission reductions and the a domestic carbon market.

Regarding the MRV of Mitigation Measures System, the State is concentrating on emission inventories through INFOCARBONO. Peru is governed by the MRV guidelines established by the IPCC and the Paris Agreement (Article 6) and the system has national and organizational coverage.

## Challenges & Barriers

The climate action in Peru faces several challenges:

- In addition to the challenges posed by climate change in Peru, there are local social and environmental challenges associated with conflicts over land-use, unequal distribution of the benefits, emergence of negative externalities, over-exploitation of resources, among others. When designing and implementing measures, the Ministry of the Environment, as the national authority on climate change, GTM-NDC must consider domestic needs that respond coherently to the social and economic impacts of climate change, generating attractive conditions to trigger both public and private investment.
- The need to provide multi-sectoral, multi-level and multi-actor evidence of the benefits of promoting a low-carbon economy, decoupling economic growth from both local and global pollutant emissions, considering, among others: the accelerated growth rate of the urban population and the high dependence on fossil fuels that persists in this country.

### Climate Action in Peru

- [Framework Law on Climate Change](#) (April 2018) and its [Regulations](#) (December 2019)
- [National Infrastructure Plan for Competitiveness](#) which boosts green infrastructure
- [National Plan for Competitiveness and Productivity](#) which promotes economic activities with key climate management instruments for the NDCs
- [Information on updates concerning MTG-NDC's work](#)

<sup>4</sup> Instrument at design stage, not yet published

<sup>5</sup> Instrument exists as proposal for conceptual framework, not yet published.

<sup>6</sup> Instrument at design stage, not yet published

<sup>7</sup> Platform soon to be launched. To be hosted and administrated by MINAM.

- Access to clear and precise information for a population that is not sensitized to the threats of global warming.
- Highlight the relevance of adopting high impact measures instead of implementing limited and fragmented efforts.
- Update and implement its communications strategy to inform, socialize and empower the different actors, linked to climate action, for the implementation of adaptation and mitigation measures throughout the country.

At the level of actors involved in implementation, a series of challenges and barriers are also identified, such as:

- The implementers (authorities, technicians, and administrators) have diverse and unequal levels of knowledge on climate issues related to their daily activities.
- Differences in the time allocated to 'climatic' tasks in daily performance. Indeed, climatic tasks tend to be diluted within other assigned tasks, particularly for sectoral specialists leading to delays in the delivery of information and documentation.
- Different conceptions and knowledge regarding climate change mitigation and adaptation, and management of those concepts.
- A limited number of personnel in charge of climate actions in the entities involved (especially at sub-national level), which for the most part are not explicitly mandated to perform these functions.
- The limited opportunity to travel to other cities to support and educate sub-national government entities or to meet with stakeholders.

Presently, of the 62 mitigation actions and 91 adaptation actions that were identified by the GTM-NDC, there are sectors such as Energy and Mines, Agriculture and Irrigation, Land Management (USCUSS, in Peru) and Transportation, which are progressing at a lighter pace than others. This is mainly due to the degree of political will, and involvement and commitment of senior management, starting with the ministers. Consequently, the most lagging sectors need to develop a strategy that highlights their sectoral importance in the national context, accounting for the direct benefits and co-benefits expected from investing in transformative technologies and projects.

The actions identified by the GTM-NDC are currently in an implementation phase, and it is necessary that the regional and local authorities, officials and technicians keep pace with the central government. Therefore, it is necessary to strengthen the institutional frameworks, communication and information management at a sub-regional level, providing it with greater capacities and resources. The main needs point to strengthening technical and governance capabilities, the appointment of specialized work groups on climate change to coordinate activities with the central government, the use of standardized tools and methodologies at national and international levels, as well as technical assistance and international climate finance. Along these lines, the opportunities for exchange and capacity-building offered by the Pacific Alliance in general and the SGT-MRV in particular, represent real access to resources and experiences that can become enabling factors in the short term, whether through pilots, bilateral/multilateral exchanges or increased visibility of concrete actions.

## Opportunities in tracking climate action through MRV systems

Peru faces great challenges at the political, economic and institutional levels. At the climate policy level, monitoring and transparency play an important role in promoting bankable projects and risk reduction mechanisms for climate investments, applying standards such as those suggested by the Paris Agreement to promote a low-carbon economy. MRV systems are essential for the design and implementation of policies and instruments.

The contribution of the GTM-NDC is substantial. Its configuration and entry into operation has allowed prioritization of areas and measures in pursuit of decarbonization of the economy. Its institutional strengthening will allow the GTM-NDC sector teams to remain active and updated in the climate field. This practice can contribute to greater trust on the part of funds and markets, to accelerate investments through sustainable projects in order to implement the 62 mitigation initiatives proposed in the NDC along with their respective MRV systems. The institutionalization of the GTM-NDC is key for dealing with future government changes, financial swings and the fragmentation of efforts between the national and sub-national governments.

The achievement in the implementation of the mitigation actions of Peru, the integrated climate governance of the actions, the transparency in their execution and the strengthening of their MRV systems, will contribute to the reduction of emissions, creating conditions to encourage investments both public as well as private and will allow Peru to access additional funds, promoting a greener and less carbon-intensive economy that responds to the challenges posed by domestic demands and the fight against climate change.

### Summary of opportunities

- The Pacific Alliance and the SGT-MRV present great opportunities for cooperation between countries.
- Promotion of bankable projects and risk reduction mechanisms for climate investments, applying the standards imposed by the Paris Agreement regarding monitoring and transparency
- Keeping GTM-NDC sector teams active and updated through institutional strengthening to give confidence to climate funds and markets for investments.
- Making visible the progress of the GTM-NDC in the implementation of mitigation measures, through the publication of publicly accessible reports.
- Promoting the operation and maintenance of the National Registry of Mitigation Actions by a local technical team that is institutionalized in a relevant public entity.
- Developing effective MRV systems that include all political levels, the impacts of mitigation actions and the use of emissions records in the carbon market.

***For more information on this Spotlight Paper, please contact the [principal investigator](#) – Mr. Carlos Orbezo, or for more information on any other [Spotlight Papers in the Series](#) please contact the [SGT-MRV Coordinator](#) – Mr. Francisco Pinto.***