



2/7

**UNITED NATIONS DEVELOPMENT PROGRAMME  
GLOBAL ENVIRONMENT FACILITY**

*Proposal for Review*

<b>Country:</b>	Peru
<b>Project Title:</b>	Expedited Financing of Climate Change Enabling Activities (Phase II)
<b>GEF Focal Area:</b>	Climate Change
<b>Country Eligibility:</b>	Eligible under GEF as financial mechanism of the UNFCCC
<b>Date of Ratification:</b>	7 June 1993
<b>GEF Financing (Phase I):</b>	US\$ 195,700
<b>GEF Additional Financing (Phase II):</b>	US\$ 140,300
<b>Total Costs:</b>	US\$ 336,000
<b>GEF Implementing Agency:</b>	UNDP
<b>Executing Agency:</b>	CONAM
<b>Local Counterpart Agency:</b>	CONAM
<b>Estimated Date of Initial National Communication Submission:</b>	October, 2000
<b>Estimated Starting Date:</b>	15 July 2000
<b>Project Duration:</b>	12 months

3/7

## 1. CURRENT PROJECT STATUS:

### I. Background

In 1997 and with the support of GEF's project "Apoyo a la preparación de la Primera Comunicación Nacional", Peru started the preparation of its First National Communication to the United Nations Framework Convention on Climate Change.

The project has the following components

- a) assessment of the potential impacts of climate change in the country,
- b) analysis of the potential options in order to mitigate the GHG emissions and to adapt to climate change,
- c) propose to the government policies to face climate change,
- d) preparation of the First National Communication

Activities and products fulfilled in order to achieve the project's objectives

1. Project's program
2. Elaboration of the climate change web site. The climate change web site is located within CONAM's site ([www.conam.gob.pe](http://www.conam.gob.pe))
3. Greenhouse Gas Mitigation Study: Energy, Transport and Forestry. This study had two phases. It was financed with the Danish government. The first phase went from September 1997 to August 1998, and the second phase from October 1998 to December 1998. This document is under inter-ministerial consultation.
4. Vulnerability studies. With this studies it is intended to have an approximation to the consequences that climate change will potentially have over the country and its different regions. To fulfil this objective, the glacial backward movement was studied for a 50-year period. The El Niño phenomenon is a good experimental and observational model that shows the consequences of an abrupt change in the climate patterns. With only some months length, this phenomenon gives us information about the potential impacts that climate change will have over the national boundaries and the Peruvian society. This issues have been published in the book: "Peru: Vulnerability to Climate Change. An El Niño approach", December 1999.
5. National plan of action for climate change. The plan has the mission of linking in a cost-effective fashion the economic growth and the GHG emissions control. The vision is to achieve economic growth without the business as usual proportional increase in GHG emissions. This plan involves all the GHG emitter sectors, thus is under inter-ministerial consultation.
6. Preparation of the First National Communication to the UNFCCC. It uses as inputs the works mentioned above. This document is under inter-ministerial consultation, and will be submitted to the Secretariat approximately in October 2000.

## 2. ACTIVITIES TO BE INVOLVED IN PHASE II PROJECT:

In Phase I of the project the technological needs issue was not considered. Currently this is the first priority at the national level. Identification of technological needs and the capacity building to assess and absorb them are as well, key activities in the United Nations Framework Convention on Climate Change process.

### A. Technology Transfer

#### (i) Identification/ submission of technology needs

[1(b) 2/CP.4: "GEF should provide funding to developing country Parties to enable them, in light of their social and economic conditions and taking into account state-of-the-art environmentally sound technologies, to identify and submit to the Conference of the Parties their prioritized technology needs,

4/7

especially as concerns key technologies needed in particular sectors of their national economies conducive to addressing climate change and minimizing its adverse effects")

The study Greenhouse Gas Mitigation Study: Energy, Transport and Forestry made in 1998 showed a lack of knowledge about the economic trends in the Peruvian economy that will affect the trends in GHG emissions. In order to identify the national technological needs it is necessary to establish very clearly the economic activities that we need to work on today in order to make substantial reductions of GHG in the future. On the other hand, the analysis made was in a sector level, whereas the new analysis proposed is in an economic activity level, based in the previous findings. The other new issue that will be covered is that of technological needs in adaptation.

### 1. Economic activities prioritization that need climate change relevant technologies

The prioritization will be made for two issues: mitigation and adaptation.

#### 1.1 Mitigation

- 1.1.1 Preparation of a framework paper on Peruvian trends in economy on a macroeconomic and sectorial approach. This document must take into account the forecasts developed in the mitigation options study, and will include an assessment of the effects of national economy trends over climate change. What are the most important economic activities that will increase GHG emissions? What is their economic path? These are some of the questions that the paper must try to answer.
- 1.1.2 Preparation of a framework paper on the Peruvian path for sustainable development. Which are the sectors or economic activities that can lead to a sustainable development of the Peruvian economy?
- 1.1.3 Expert's review workshop to prioritize the most relevant economic activities (that emit or would emit greenhouse gases) of the country. This review must include all the relevant stakeholders (public sector, private sector, etc.).
- 1.1.4 Selection of the most important economic activities in order to find the more appropriated technologies for mitigation. Preparation of the document that summarizes the main findings and conclusions.
- 1.1.5 Publication of the framework paper and the conclusions of the expert's review workshop.

#### 1.2 Adaptation

- 1.2.1 Preparation of a framework paper for an expert's review on the most vulnerable economic activities/areas prioritization. This document will include a study of the trends in the economic development of the country and the potential effects of climate change over the economic activities/areas, in order to find the most vulnerable economic activities/areas.
- 1.2.2 Expert's review workshop to prioritize the most vulnerable economic activities/areas of the country that need adaptation technologies. This review must include all the relevant stakeholders (public sector, private sector, etc.).
- 1.2.3 Selection of the most vulnerable economic activities/regions in order to study their technological needs for adaptation. Preparation of the document that summarizes the main findings and conclusions of the expert's review.

### 2. Identification of technological needs

The identification of technological needs will be also made for mitigation and adaptation.

#### 2.1 Mitigation

- 2.1.1 Framework paper proposing ten technologies to be assessed based on a first screening, for the above selected sectors and the capacity building needed in order to absorb the technologies taking into account local demands.
- 2.1.2 Expert's review workshop of the framework paper.
- 2.1.3 Study of the mitigation potential of additional significant options as a consequence of the Camisca gasfill exploitation, e.g. natural compressed gas and LPG for public transport and NCG for industrial processes. The Camisca project does not consider any specific policy for transport that will contribute to the mitigation of GHG.
- 2.1.4 Identification of specific barriers needs and steps towards promotion of environmentally sound technologies, including intellectual property rights regimes.

5/7

2.1.5 Publication of the framework paper and the conclusions of the experts review workshop.

2.2 Adaptation

2.2.1 One integrated local assessment for adaptation in activities/region prioritized in point 1.2 including indigenous solutions.

(ii) **Capacity building to assess technology needs, modalities to acquire and absorb them, design, evaluate and host projects**

[1(g) (i) - (iii) 2/CP.4: "GEF should provide funding to developing country Parties to support capacity-building for:

(i) The assessment of technology needs to fulfil the commitments of developing countries under the Convention, the identification of sources and suppliers of these technologies, and the determination of modalities for the acquisition and absorption thereof;

(ii) Country-driven activities and projects to enable Parties not included in Annex I to the Convention (non-Annex I Parties) to design, evaluate and manage these projects;

(iii) Strengthening the capacity of non-Annex I Parties to host projects, including from project formulation and development to their implementation"]

In Peru's plan of climate change action, includes the capacity building to assess technology needs, modalities to acquire and absorb them. Since this is a long term plan, in order to achieve this objective it has short, medium, and long term measures. The short term measure identified is public awareness. Thus making accessible the information about the different issues of climate change is the first step to be taken. The long term measure is the identification and design of research and development programs in order to promote the environmentally sound technologies using, among other measures, demonstrative programs.

1. Climate change, clean technology information center and R&D program

1.1 Documentary about the climate change and clean technology information center

1.2 Identification and design of research and development programs aiming to promote environmentally sound technologies and demonstration programs.

1.3 Promotion of demonstrative projects with environmentally sound technologies.

1.4 Monitoring of the demonstrative projects made by the sectors.

**3. PROJECT MANAGEMENT/INSTITUTIONAL ARRANGEMENT:**

The project will be executed by the National Environmental Council, and will use the same Project Steering Committee that in Phase I, this is the National Commission on Climate Change. In order to ensure that the capacity to prepare the national communication is maintained and enhanced, the same personnel is expected to be used.

Concerning the international collaboration, the links established during Phase I, will be maintained. Constant consultations to UNEP and IPCC will continue, in order to implement certain activities of the project.

To avoid duplication of efforts, the project will take into account the results and lessons learned from projects such as CC-TRAIN and US Country Study Program.

**4. MONITORING AND EVALUATION:**

The executing agency together with the Project Steering Committee will be responsible for monitoring the project on a continuous basis. In order to do so, the project manager, with the help of the leaders of the research teams, will prepare regular reports on the progress of the project. For the remaining part, the project will rely on common UNDP monitoring and evaluation practices including a mid-term evaluation and a tri-partite review to be held within the first 12 months of the start of the full implementation of the project.

6/7  
 5

**TABLE C.2**  
**ACTIVITY MATRIX FOR PHASE II OF CLIMATE CHANGE ENABLING ACTIVITIES**  
**Priority activities for additional (interim) funding**

Activity	Planned duration	Data gathering and research	Capacity mechanisms/cultural/social	Training, education and public awareness
2. A (i) Identification and submission of technology needs		2.1a Mitigation 2.1.1 Framework paper (economic activities/valuation) 2.1.2 Framework paper on sustainable development 2.1.3 Expert's review (economic activities/valuation) 2.1.4 Submission of the most important economic activities		2.1b Mitigation 2.1.5 Publication of the framework paper
2. A. (ii) Capacity building to assess technology needs, establish baselines, evaluate and submit them, design, evaluate and host projects		2.2 Adaptation 2.2.1 Framework paper (technological needs/valuation) 2.2.2 Expert's review (technological needs/valuation) 2.2.3 Selection of the most vulnerable economic activities/programs	2.3 Capacity building to assess technology needs 2.3.1 Identification and design of R&D program 2.3.2 Promotion of innovative projects 2.3.3 Monitoring of the innovative projects	2.3b Mitigation 2.3.5 Publication of the framework paper

7/7  
 6

**Table D 2**  
**PROJECT BUDGET ACCORDING TO GEF ACTIVITY NORMS IN US DOLLARS**  
 Cost estimates for (interim) priority activities

Activity	Planning and execution	Capacity maintenance/enhancement			Technical & administrative support	Cost estimates	
		Data gathering and research	Institutional strengthening	Training and education and public awareness			
2. A (i) Identification and assessment of technology needs	1.1a	US\$ 19 740				Bosnia and Herzegovina	
	1.1.1	US\$ 4 100		1.01 US\$ 5 640			
	1.1.2	US\$ 6 180		1.1.3 US\$ 5 640			
	1.1.3	US\$ 9 460					
	1.1.4	US\$ 1 860					
	1.2	US\$ 13 360				Croatia	
	1.2.1	US\$ 1 700		1.5 US\$ 18 800			
	1.2.2	US\$ 6 180		1.1 US\$ 18 800			
	1.2.3	US\$ 5 480					
	2. A (ii) Capacity building to assess technology needs, mobilize resources and elaborate design, design, evaluate and host projects	2.1a	US\$ 24 440	1.8 US\$ 13 440			Bosnia and Herzegovina
		2.1.1	US\$ 6 180	1.2 US\$ 8 460			
		2.1.2	US\$ 6 180	1.3 US\$ 12 600			
		2.1.3	US\$ 4 780	1.4 US\$ 12 600			
		2.1.4	US\$ 6 580		2.1b US\$ 5 640		
2.1.5		US\$ 6 580		2.1.5 US\$ 5 640			
				Mobilization US\$ 4 042			
3. Project management	US\$ 2 720			US\$ 2 872		US\$ 3 612	
4. Monitoring & Evaluation	US\$ 1 160			US\$ 1 446		US\$ 2 606	
Total	US\$ 68 800	US\$ 16 900	US\$ 16 300	US\$ 0	US\$ 140 300		
%	48	26	26	0	100		