



PERÚ

Ministerio
del Ambiente



PROGRAMA
ONU-REDD

*Private sector participation in
financing Peru's forest and climate
change strategy*



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Victor Galarreta, President, MDA

Jorge Torres, UNPD Consultant in support PNCB (REDD+ Financial mechanism
design)



FOREST & CLIMATE CHANGE NATIONAL STRATEGY



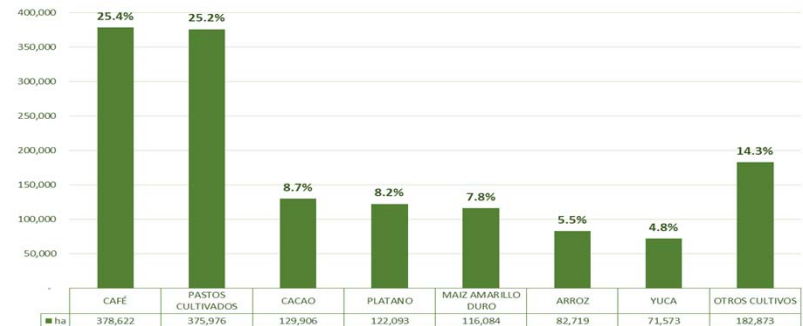
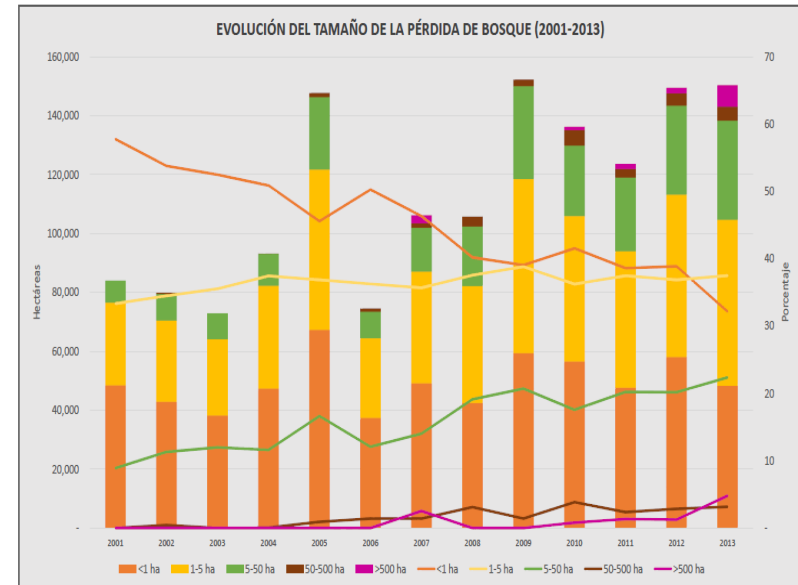
PERU IN A NUTSHELL



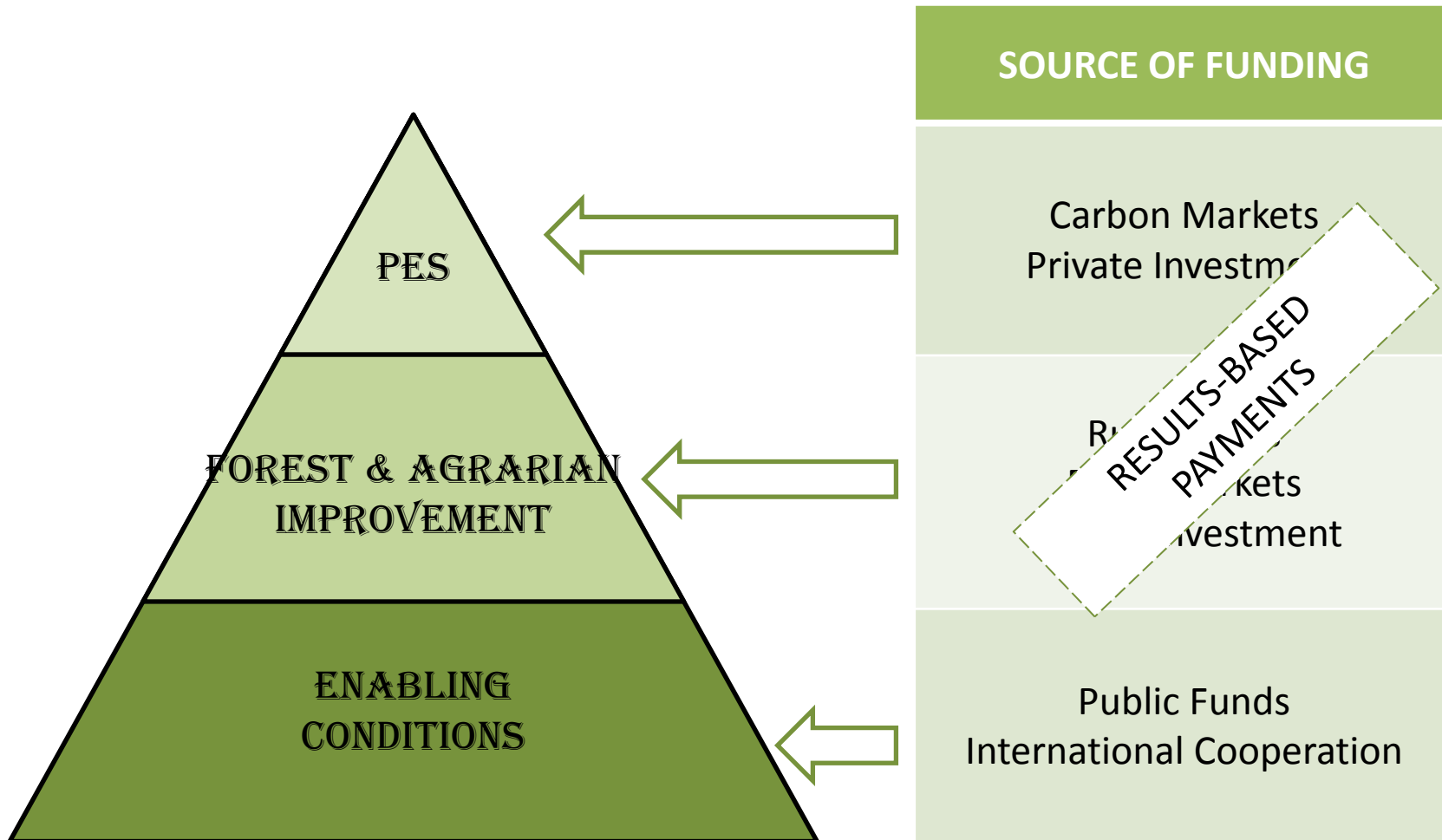
Facts

- 70% of deforestation occurs in plots smaller than 5 ha
- 93% of agrarian properties are lower than 20 ha
- 86% of forest loss is related with 6 crops & pastures
- Only 9% got credits

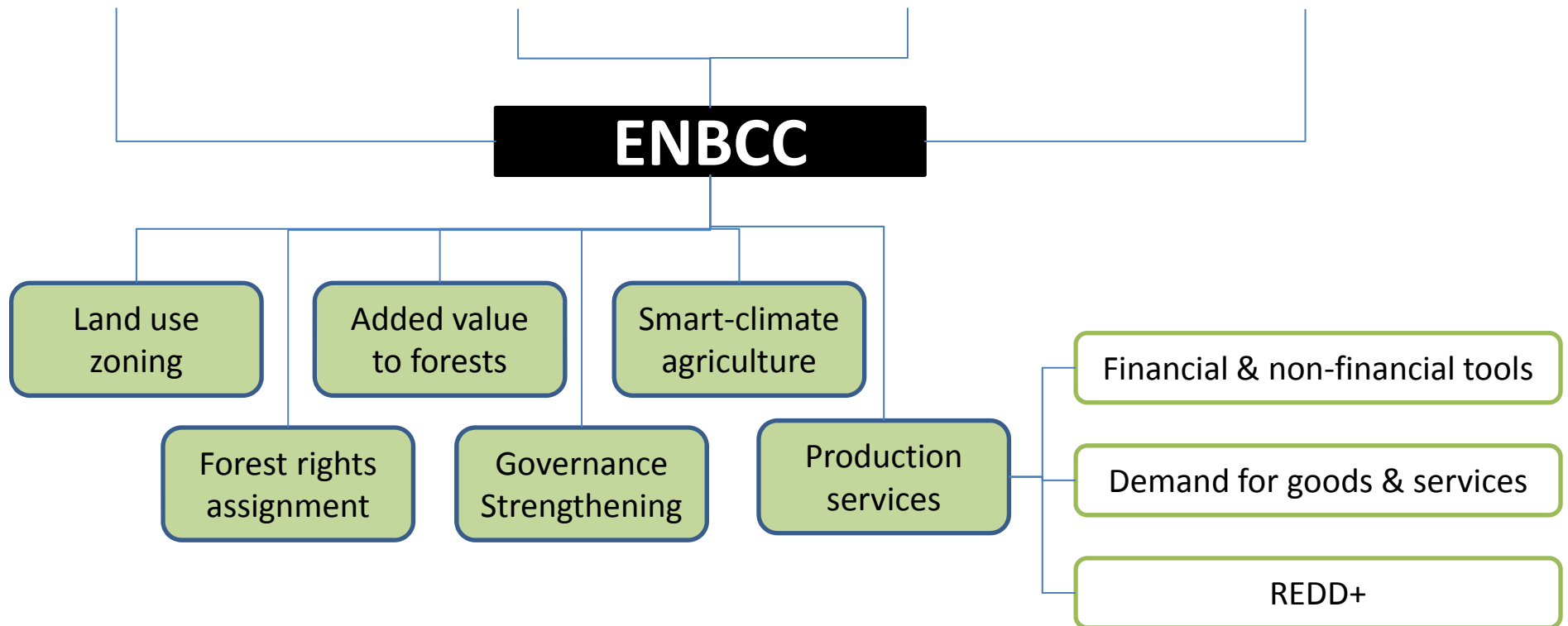
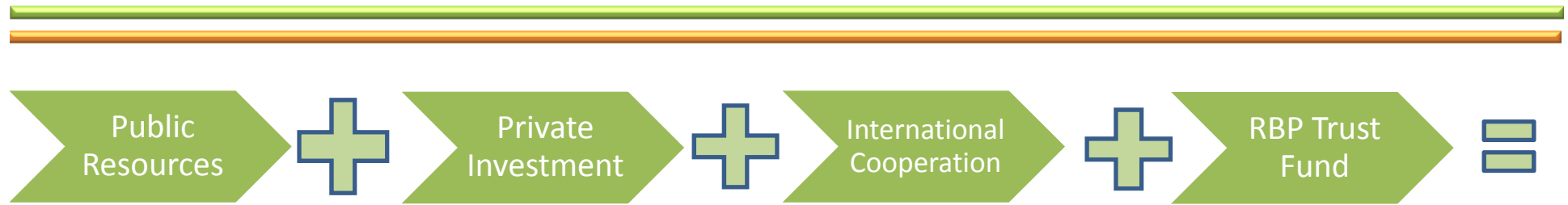
Thousands of small-scale farmers, without access to loans and TA, produce crops with low tech, degrading the soil (migratory agriculture)



WHAT ARE THE STRUCTURAL CAUSES OF DEFORESTATION IS THE BASIS TO DEFINE THE ACTIONS TO DEAL WITH THEM

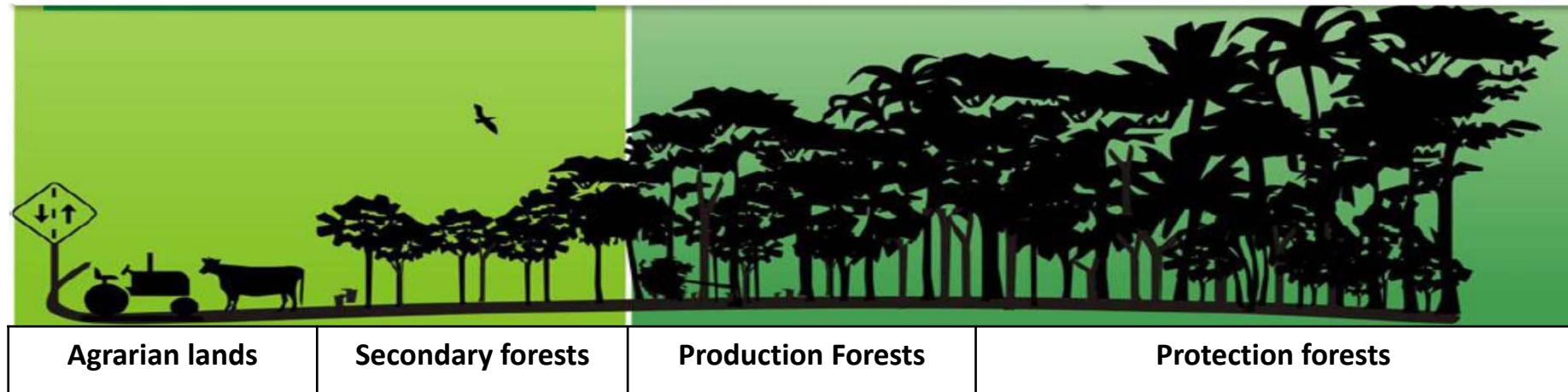


AN STRATEGIC VIEW AND PLAN



WHAT CAN WE DO TO CHANGE THIS PATTERN?

1. Improving the business climate
2. Identifying products and strategies for green development of rural territories
3. Solving financial market failures
4. Promoting start-ups toward the market capital



Different products for different landscapes



IMPROVING THE BUSINESS CLIMATE



Peru Investment
Grade



Room to grow for
green financial
ecosystem



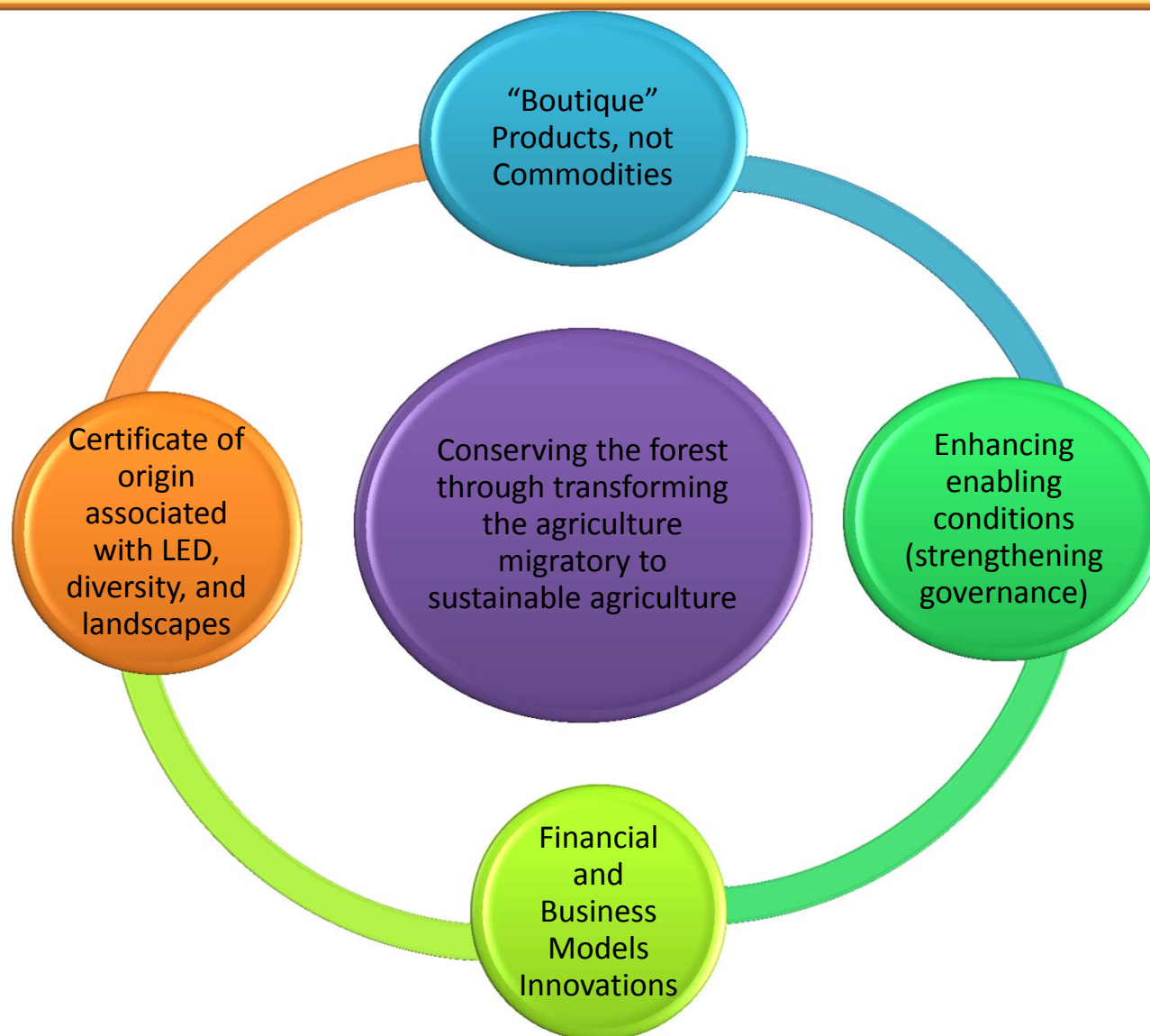
Lack of Green
Startups



Available
International
financing (credit
lines, Green
Bonds, hedging
instruments).



PROMOTING THE DEVELOPMENT OF CLIMATE-SMART RURAL TERRITORIES



CLOSING FINANCIAL MARKET FAILURES

Mega Diversity: High Risk (Adverse Selection). High interest rates

Smallholders: High transaction costs

Incomplete or nonexistent markets

1. Linking entrepreneurs and investors
2. Incubate and accelerate the portfolio of green projects
3. Use results-based payments smartly by creating financial tools that reduce the risks of rural producers, private financial players



PROMOTING STARTUPS TOWARD THE CAPITAL MARKETS

