

Peru

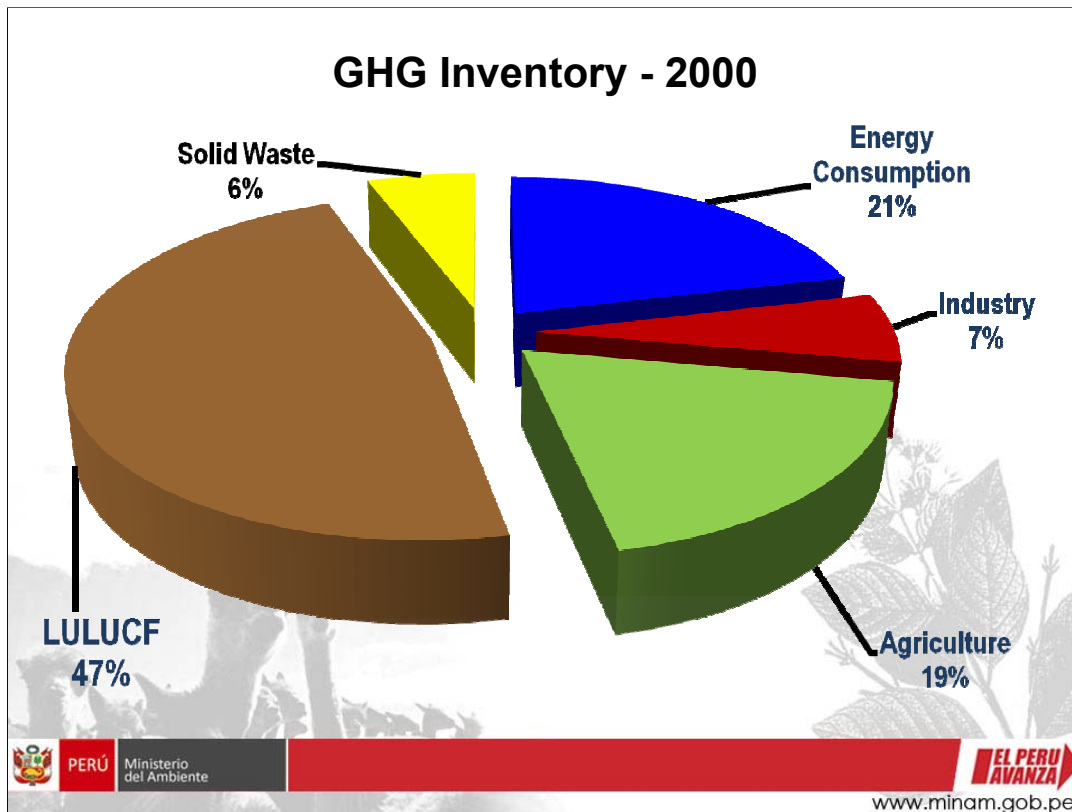
Proposed Mitigation Actions

March, 4th 2011
Bangkok



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Peru has sent a NAMA target which has not substantially changed since the first submission, however, it has been further explained and better defined after internal consultations with sectors and stakeholders. Information is based on the studies and baseline described in our Second National Communication submitted in September 2010, and data is mainly obtained from the GHG inventory of 2000 (next Third National Communication will include an updated inventory).



Deforestation in the Peruvian Amazon region is the main source of emissions: 47.5% in 2000. We are updating the figure since rapid economy growth in the country, plus shifts in interests of migrants and other factors may have changed the emission figure. On the other hand, some expansion of public investment and prospects for infrastructure need to be evaluated in terms of its impact on deforestation.

Energy consumption is the next source in importance, and this one is influenced by economic growth; however, there is room for efficiency measures and to correction towards a lower carbon path in the frame of a more sustainable and sustained development process.

Agriculture and industry follow in importance, but they are still growing and other kind of measures will be applied to ensure its growth will be more efficient and low carbon oriented.

Improvement in management of urban solid waste has been selected as a target not as much because of its relative weight in emissions, but because of the important measures and projects already underway to reduce crucial countrywide impacts in environmental quality, water, soils, sanitation and health.

Voluntary mitigation targets for 2021

- **Zero net emissions in LULUCF sector**

Baseline: annual deforestation 150,000 ha (1990-2000) - 53 MT CO₂eq;
Conservation of 54 million Ha of primary forests

- **Energy matrix with up to 40% from renewable sources**

Mix of efficiency and renewable, including hydropower; biomass; eolic; solar; about 28% reduction as compared to 2000; potential reduction 7 MT CO₂eq

- **Reduction of emissions from urban solid waste disposal**

Country-wide program; priority in landfills for medium and large cities; potential reduction of 7 MT CO₂eq.



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Targets for 2021; why 2021? Our Bicentennial anniversary of Independence.

The Zero net emissions goal in LULUCF sector is a very ambitious target; however, important measures are already being taken in this sense, so we think it is attainable with additional international support and political will. Forest deforestation in Peru is not very high, as compared with other tropical countries; and forest conservation has an important scope and pace of implementation, with 15% of the territory under some kind of protection, mostly in forest areas of our country, and protection is equivalent to avoided deforestation.

On the other hand, the fact that economic growth is now based in activities in other areas (mining, fisheries, agro-industry, tourism) relieves the pressure in the Amazon region. However, severe difficulties are expected in this region in dealing with illegal logging, informal gold mining; illicit crops; inadequate use of resources, etc.

In energy, the plan is to have a mix of efficiency increase and enhancement of renewable and cleaner energy. Hydropower is the most efficient immediate option, despite the time required to get projects operative, and the conditions for water availability under future climate scenarios.

In urban solid waste, the reduction is based in implementation of modern landfills in at least 40 important municipalities all over the country, as a first stage, an effort that requires additional external support to be completed.

Challenging context...

Social economic issues:

Amazon region marginality; extreme poverty; interculturality; behavioral inertia; diverse and fragile ecosystems; priorities in national investments; growth pattern in front of low carbon goals.

Quantifying emissions and removals:

CO₂ in Amazon forests; methodological issues; capacity building; MRV; REDD+ roles.



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The context for delivering on these voluntary commitments is very complex in our country; and we assume, for most developing countries. However, Peru is willing to contribute to the global effort for mitigation, but also has very clear the need and commitment placed by developed countries to substantially support ours and other developing countries efforts.

For our first commitment, **reduction of LULUCF emissions**, we have in our favor the fact that our fast economic growth, that has a high priority for our country in terms of the ongoing poverty reduction and substantial increase of exports, economic expansion and per capita income, can be accompanied by an equal substantial reduction in emissions. Deforestation and land use change in our forested areas do not mean but only marginal economic and social benefits to the country and local population; on the other hand, the corrections that will be implemented to reduce emissions can be highly positive in social and economic benefit for families living in and from the forests.

However, we still face **complex problems**: (read from slide) Amazon region marginality; extreme poverty; interculturality; behavioral inertia; diverse and fragile ecosystems; priorities in national investments; growth pattern in front of low carbon goals. In the energy arena we can acquire a better level of efficiency, and a good starting point for renewable energy enhancement. We still have favorable conditions for hydropower and wide room for efficiency improvement with low or negative costs of implementation.

In the subject of quantifying emissions we need support in development of appropriate methodologies, specially in forest carbon calculations; in MRV approaches; and capacity building at all levels of government and non governmental stakeholders, including private sector.

Challenging context...

In-country institutional arrangements:

Forest conservation program; information systems; intersectoral and interregional governance; priorities and political internalization.

NAMA definition, external support and costs calculation:

Finance and means of implementation in NAMAs; priorities and timing for investments; planning curves of abatement.



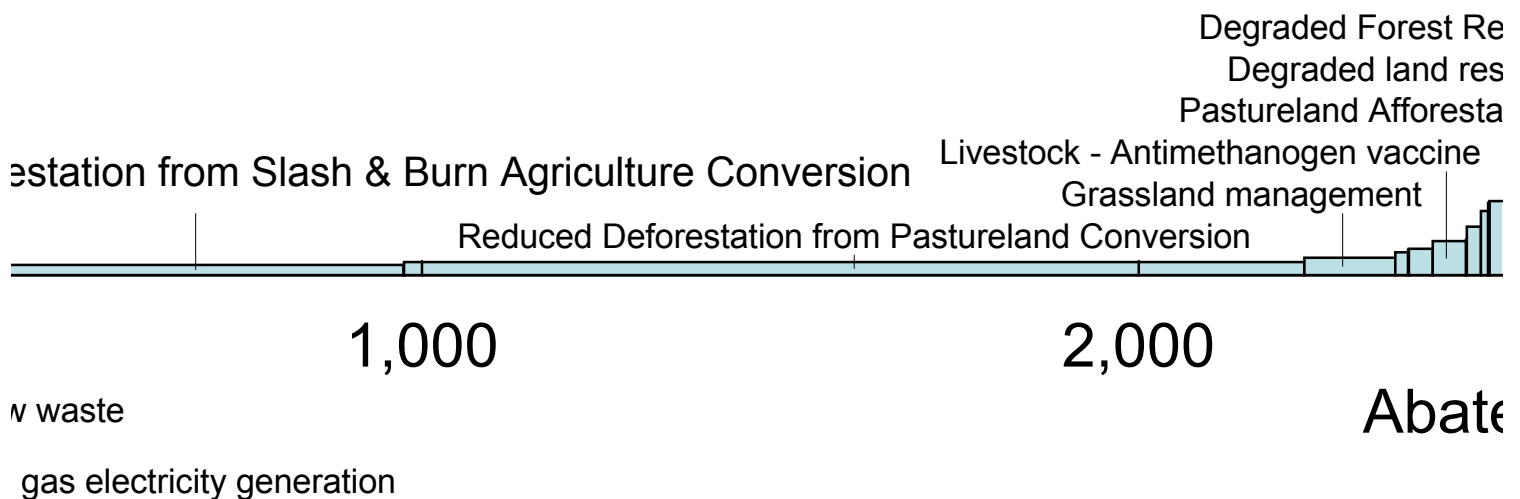
In terms of internal institutional arrangements, a patient and extensive work has to be done on intersectoral and interregional coordination and governance regarding management of climate change impacts and international commitment.

Last, but not least, it is urgently needed a clear definition and scope for NAMAs as related, for instance, to REDD and programmatic CDM, among others. If we are having trouble here, among specialists, in having a clear picture of NAMAs, it is obvious that we will face double amount of problems in explaining and selling ideas on NAMAs to congressmen, investors, and public in general. In devising NAMAs, we have to carefully review assumptions and priorities for abatement curves.

For instance, in the typical abatement curves that are common for our countries, forest emissions are usually introduced as low cost and high rate of reduction source. We do not know in detail the criteria taken into account, but we call the attention to the possibility that projection of opportunity costs might not been fully taken into consideration. Cultural change in perceptions of natural resources, and the need to replace livelihoods styles and acquire sustainable new sources of income, may account for intense efforts and investment. However, forest still represent a key opportunity for emission reduction without jeopardizing economic development, but on the contrary, enhancing and diversifying avenues for it.

Forest opportunities

Abatement estimations apparently not consider long term opportunity costs for the forestry sector



Project Catalyst

Source: Based McKinsey Global GHG Abateme

Thanks for your attention



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