



Addressing Financing in the National Adaptation Planning Process in Peru

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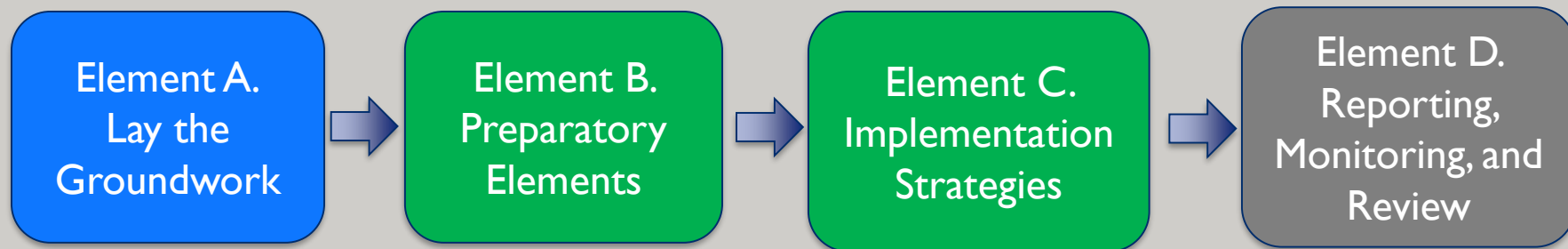
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Overview

- USAID-funded Climate Economic Analysis for Development, Investment, and Resilience (CEADIR) is providing technical assistance to the Government of Peru on financing for the National Adaptation Plan (NAP)
- Components of the financing strategy:
 1. Assessing readiness to facilitate adaptation finance
 2. Preparation of program/project profiles for Peru's five priority sectors in the NAP
 3. Integration of profiles into sector portfolios

The UNFCCC NAP Development Process



Implementation: From Priorities to Concrete Actions

- Mapping adaptation actions
 - Which actions to take?
 - Who will take action?
 - How do define success?
 - Who will monitor and evaluate actions?
- Costing and financing adaptation actions
 - What will actions cost?
 - Who can finance actions?
 - What is already funded?
 - What sources of finance are available?

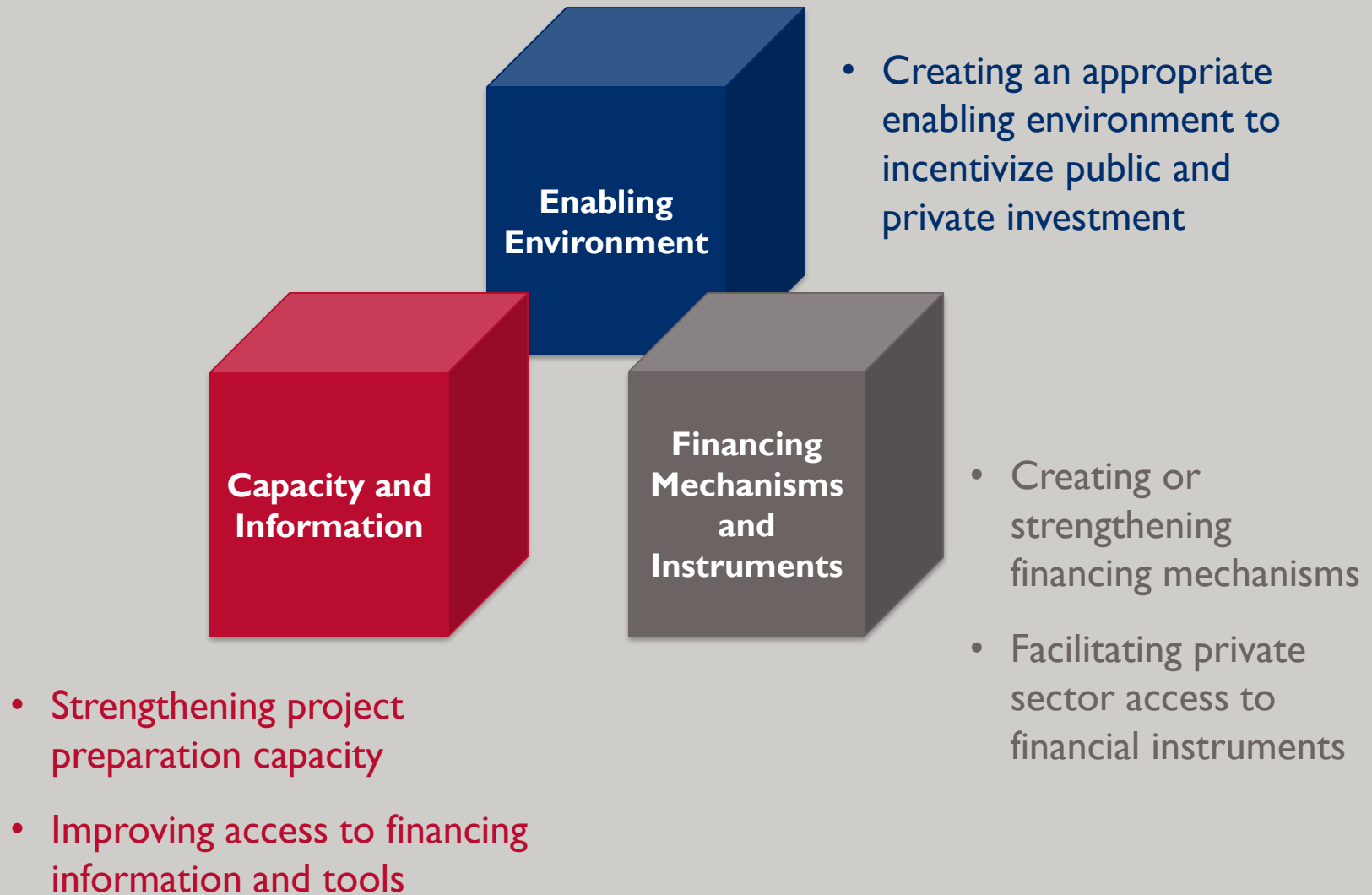


Huascarán, Peru. Photo: PACC

NAP Guidelines on Financing

- The UNFCCC Guidelines (2012) on NAPs recommend that countries identify
 - Sources of funding and other support for implementation
 - Options for mobilizing financial, technical, and capacity building support (local, national, and regional)
- Peru's NAP financing strategy will address these topics in the context of the NAP financing “building blocks”

Assessing Readiness to Facilitate NAP Financing



CEADIR's Next Steps in Developing the NAP Financing strategy

- Conduct stock-taking and identify gaps
- Develop recommendations for addressing gaps
- CEADIR will complete this work this summer, drawing on:
 - Ministry of Environment analyses of financing options
 - Inputs from five sector working groups
 - USAID's Climate Finance Assessment Report

Adaptation Program and Project Profiles

- Peru NAP identifies five priority sectors:
 - Agriculture
 - Health
 - Fisheries/aquaculture
 - Water
 - Forests
- CEADIR is facilitating preparation of profiles for programs and projects in the five priority sectors

Peru's Adaptation Project Development Process

- Program/project profiles compile information to support prioritization
 - Relation to NAP objectives and targets
 - Executing entity
 - Geographic coverage and duration
 - Expected results and impacts, including benefits and co-benefits
 - Costs
 - Potential sources of financing

Example: Health Sector Profile

Name of Initiative: Relocation and Construction of health clinics and hospitals	Executing Entity: Ministry of Health
NDC Objective Addressed: Strengthen the adaptive capacity of health services for the protection of the population against the effects of climate change on health	Geographic Coverage: 15 regions (where emergencies have been declared)
Duration: 3 years	Priority for 2018-2021: High
Activities: Map EESS in vulnerable areas for relocation, choice of site for EESS relocation according to sustainable completion standards, accessibility for proper care of users before, during and after a disaster.	Expected Results: Health clinics and hospitals safe from emergencies and climate disasters
	Potential Impact: Health, security, and economic
Estimated Costs: 400 million USD	Types of Costs: Analysis, capital, operations and maintenance, depreciation
Benefits: Reduction in morbidity and mortality, reduced opportunity cost of time, continued/quality of health services	Co-Benefits: Economic, social, and environmental
Sources of Financing: External	External Co-financing share: 90%

Examples of Health Sector Adaptation Projects

Health sector working group identified 13 projects in four program areas

- Infrastructure investments for more climate-resistant health sector facilities
- Emergency response
- Analysis, monitoring, and early warning
- Awareness and education



Health clinic, Carabayllo, Peru. Photo: Peru Ministry of Health

Examples of Agricultural Sector Adaptation Projects

Agriculture sector working group identified three programs

- Watershed-scale infrastructure
- Technology transfer to domestic and export value chains
- Technology transfer to small and mid-size producers

Each program has four components

- Pre-project research and technology development
- Development of data management systems
- Planning and regulation, workplan and business plan development
- Implementation of action



Chavimochic irrigation project, Peru. Photo: FAO.

Examples of Fisheries and Aquaculture Adaptation Projects

Fisheries/aquaculture sector working group identified four programs

- Climate-smart design for fishing and aquaculture facilities, equipment, and practices
- Practices, innovation, and technology transfer to improve production and adaptation to climate change
- Strengthening, and expanding research and monitoring efforts to support development of databases, forecasting, and warning systems
- Multi-sectoral and participatory approaches to management and adaptation



Anchovy fishery, Peru. Photo: AIDA.

Development of Sector Portfolios

- Sector portfolios
 - Sector background
 - Discussion of climate change impacts on sector
 - Discussion of sector objectives from NAP and other national strategic plans
 - Detailed program/project profiles and potential financing sources
- Summarize adaptation programs and projects in each sector
- Offer comprehensive list of programs and projects to potential funders

Recommendations

- Countries need to plan effectively for NAP financing
- Identify diverse potential funding sources early in the process (not at Step 6)
- Match financing requests more strategically to the most appropriate funders



Llanganuco Lake. Photo: Glen Anderson

References

NAP Global Network References on Adaptation Financing

- <http://napglobalnetwork.org/resource/snapshot-domestic-public-finance-implementation-naps/>
- <http://napglobalnetwork.org/resource/financing-national-adaptation-plans-naps-options-for-implementation/>

UNFCCC, 2012. National Adaptation Plans – Technical guidelines for the national adaptation plan process

- http://unfccc.int/resource/docs/publications/publication_ldc_nap_techguidelines.pdf

About CEADIR

- Global activity funded by United States Agency for International Development's (USAID) Global Climate Change Office and USAID missions through September 2018
- Helps governments, the private sector, and civil society make the business and economic case for climate change mitigation and adaptation actions
- Mobilizes access to public and private finance in adaptation, clean energy, and sustainable landscapes to scale up low-carbon, climate-resilient development

<https://www.climatelinks.org/projects/ceadir>

