

Executive Summary Final Report

:

Perspectives Climate Change S.L.

“Evaluation of Public, Private and Public-Private Financial Mechanisms and policy instruments for selected operators of solid waste services in cities linked to Solid Waste NAMA”



February 2018





Contents

Executive Summary Final Report	1
1. Product 1: Selection of criteria in order to select operators of solid waste services	3
2. Product 2: Selection of operators and identification of financing sources for the implementation of mitigation measures.....	8
3. Product 3: Support to the solid waste operators in the selection of appropriate sources of finance	13
4. Product 4: Support to the solid waste operators in the selection of appropriate sources of finance	17
Acknowledgments: Consultants involved in the Project	23

1. Product 1: Selection of criteria in order to select operators of solid waste services

Consultancy services

«Evaluation of Public, Private and Public-Private Financial Mechanisms and policy instruments for selected operators of solid waste services in cities linked to Solid Waste NAMA»

Product 1: Selection of criteria in order to select operators of solid waste services



EXECUTIVE SUMMARY

From 2013 to 2015, the Peruvian Ministry of Environment (MINAM) implemented a programme called “Solid Waste NAMA - Peru”, supported by the Nordic Environmental Finance Corporation (NEFCO) and the Nordic Working Group for Global Climate Negotiations (NOAK). As part of this project, a diagnosis of the solid waste situation in Peru was made with surveys and data collection from the waste sector. Additionally, potential mitigation options were identified for this sector considering the different technologies applicable to reduce emissions.¹

To this effect, this consulting firm —once again supported by NEFCO— participates in the second phase in the frame of the earlier done work. The overall objective involves selecting two public, private or public-private operators of solid waste services that qualify to apply for funding sources allowing them to implement previously identified mitigation options.

To date, there are 5 private and 17 public landfills for a total of 22. The identified operators are listed in Annex A.

The selected criteria were divided into technical and economic-financial. These criteria are:

Table 1: Operators selection criteria

Criteria		
Nº	Technical	Financial - Economic
1	Population	Scale of investment
2	Disposed waste	Financial information availability
3	Emission reduction potential	Identification of co-benefits for sustainable development
4	Abatement costs of the mitigation measure	Security interests (public and private operators)
5	Participation in national support programs	Credit history
6	Access roads to the city	Balance sheet structure

¹Ver: https://www.nefco.org/sites/nefco.org/files/pdf-files/6_opciones_de_mitigacion_de_gei_en_el_sector_de_residuos_solidos_municipales.pdf



Criteria			
7	Waste experience	management	Public funding access terms
8	-	-	Long-term flows

The methodology used to apply the criteria will be as follows:

- For the first phase, the methodology to preselect operators will follow the technical selection criteria 1.
- For the second phase, the criteria set out in points 2, 3 and 4 will be applied to select five (5) operators and present them to MINAM.
- Finally, the five (5) preselected operators will be validated by applying the financial-economic criteria, and the final selection of the two definitive operators will be made based on the resulting technical and economic-financial assessments.

The criteria employed to select the landfill operators which will be supported to apply for funding sources is summarised in the figure below:

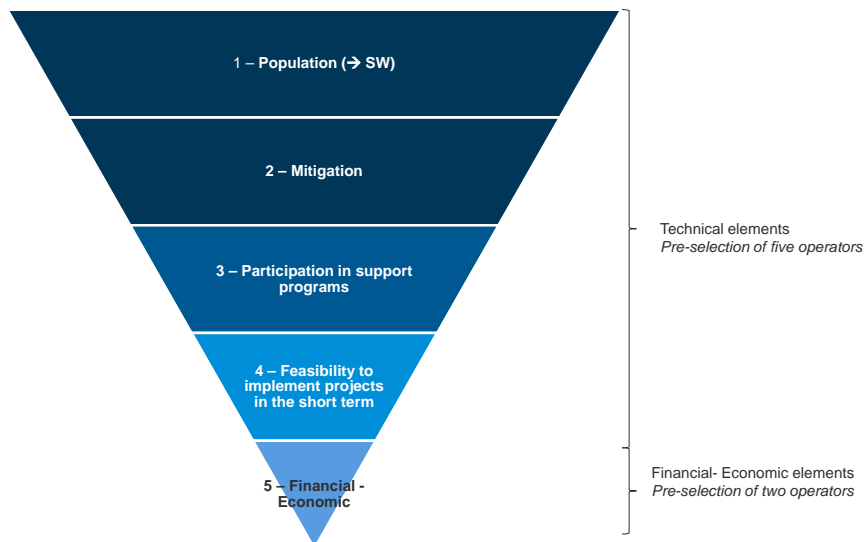


Figure 1. Eligibility and prioritisation criteria applicable to select operators
Source: Perspectives Climate Change, 2017.

Technical criteria:

The technical criteria are classified into eligibility criteria and prioritisation criteria. The eligibility criteria are based on the pass/fail principle, while the prioritisation criteria are based on a score as per the established assessment scale. For the prioritisation criteria, a high, medium and low scale



was defined, along with a score of 5, 3 and 0, respectively. Criteria 1 and 6 were classified as eligibility ones, whereas the rest (2, 3, 4, 5 and 7) were prioritised according to the defined scale.

Financial - Economic criteria:

The economic-financial criteria (1-8) were classified as pass/fail eligibility criteria, as it was unhelpful to establish a scale with scores in a scenario of so few companies with information certain enough to categorise.

Annex A:

Table 2: List of identified operators

N°	Landfill site	Location	Type of operator	Name of the operator
01	El Treinta	Loreto	Private	MP Construcciones y Servicios S.R.L
02	Nauta	Loreto	Public	Municipalidad Provincial de Loreto - Nauta
03	Cajamarca	Cajamarca	Public	Municipalidad Provincial de Cajamarca
04	Carhuaz	Ancash	Public	Municipalidad Provincial de Carhuaz
05	Independencia	Ancash	Public	Municipalidad Distrital de Independencia
06	Huamalíes	Huánuco	Public	Municipalidad Provincial de Huamalíes
07	Ambo	Huánuco	Public	Municipalidad Provincial de Ambo
08	Zapallal	Carabayllo	Private	Innova Ambiental, S.A.
09	Modelo del Callao (Cucaracha)	Callao	Private	Petramás S.A.C.
10	Huaycoloro	Lima	Private	Petramás S.A.C.
11	Portillo Grande	Lima	Private	Innova Ambiental S.A.
12	Pampaya	Junín	Public	Municipalidad Provincial de Tarma
13	Manual Santa Cruz	Junín	Public	Municipalidad Provincial de Concepción



PERÚ

Ministerio
del AmbienteNordic Council
of Ministers

N°	Landfill site	Location	Type of operator	Name of the operator
14	Yauli	Huancavelica	Public	Municipalidad Distrital de Yauli
15	La Mar	Ayacucho	Public	Municipalidad Provincial de La Mar
16	Cangallo	Ayacucho	Public	Municipalidad Provincial de Cangallo
17	Ica	Ica	Public	Municipalidad Provincial de Ica
18	Anco Huallo – Uripa	Apurímac	Public	Municipalidad Distrital de Anco Huallo
19	Huancarama	Apurímac	Public	Municipalidad Distrital de Huancarama
20	Hualla	Ayacucho	Public	Municipalidad Distrital de Hualla
21	Graú	Apurímac	Public	Municipalidad Provincial de Graú
22	Parinacochas	Ayacucho	Public	Municipalidad Provincial de Parinacochas

Source: Coordination with MINAM, 2016; OEFA, 2016.

2. Product 2: Selection of operators and identification of financing sources for the implementation of mitigation measures

Consultancy services

«Evaluation of Public, Private and Public-Private Financial Mechanisms and policy instruments for selected operators of solid waste services in cities linked to Solid Waste NAMA»

Product 2: Selection of operators and identification of financing sources for the implementation of mitigation measures

EXECUTIVE SUMMARY

Product #2 focused on applying the technical criteria to the operators identified in the previous product. First, all landfills serving populations above 50,000 in the districts were shortlisted. A first selection of operators was made based on this eligibility criterion and any operators that did not comply with it were dismissed.

Then, the remaining criteria were applied to these pre-selected, shortlisted operators. The results of this evaluation are shown in the table below:

#	Selection of operators	Criteria 1 1. Population above 50.000 inhabitants	Criteria 2 Mitigation		Criteria 3 3. Participation in national support programs	Criteria 4 Feasibility of project implementation in the short term
			2.1 Amount of Disposed Waste	2.2 Emission reduction potential according to the MAC curve		4.1 Waste management experience – implementation of best practices
1	EL TREINTA LFGE/LFG MP Construcciones y Servicios, S.R.L	✓	→	↑	→	↓
2	NATUA Compost Municipalidad Provincial de Loreto-Nauta	✓	↓	↓	→	→
3	CAJAMARCA LFG Municipalidad Provincial de Cajamarca	✓	→	→	→	→
4	INDEPENDENCIA Compost Municipalidad Distrital de Independencia	✓	↓	↓	→	→
5	ZAPALLAL LFG Innova Ambiental, S.A.	✓	→	→	→	→
6	MODELO DEL CALLAO (CUCARACHA) LFGE/LFG Petramás, S.A.C.	✓	↑	↑	↑	↑
7	HUAYCOLORO LFGE/LFG Petramás, S.A.C.	✓	↑	↑	↑	↑
8	PORTILLO GRANDE LFGE/LFG Innova Ambiental, S.A.	✓	↑	↑	→	→
9	ICA LFG Municipalidad Provincial de Ica	✓	→	→	→	↓



PERÚ

Ministerio
del AmbienteNordic Council
of Ministers

Note: = 5; = 3 ; = 0

From the table above, the “El Treinta” landfill presented operational problems due to non-compliance with current regulations², and was therefore dismissed from the process. Regarding “Ica”, it also presented operational problems³, which caused it to be dismissed from the process. It is worth noting that this issue was communicated to the consultancy team.

After applying the score defined for each category, the result was a pre-selection of operators based on the application of the technical criteria. After separating private from public operators, the result is:

Priority	Private operators	Name of the operator	Score
1	MODELO DEL CALLAO LFGE/LFG (Landfill gas)	Petramás, S.A.C.	5
2	HUAYCOLORO LFGE/LFG (Landfill gas)	Petramás, S.A.C.	5
3	PORTILLO GRANDE LFGE/LFG (Landfill gas)	Innova Ambiental, S.A.	3,75
4	ZAPALLAL LFG (Landfill gas)	Innova Ambiental, S.A.	2,55

Priority	Public operators	Name of the operator	Score
1	CAJAMARCA LFG (Landfill gas)	Municipalidad Provincial de Cajamarca	2,55
2	NAUTA	Municipalidad Provincial de Loreto -	0,75

² [OEFA] Organismo de Evaluación y Fiscalización Ambiental. (2014). *El OEFA verifica la inadecuada operación y mantenimiento del relleno sanitario “El Treinta” en Loreto durante inspección fiscal*. Recuperado de <http://www.oefa.gob.pe/noticias-institucionales/el-oefa-verifica-la-inadecuada-operacion-y-mantenimiento-del-relleno-sanitario-el-treinta-en-loreto-durante-inspeccion-fiscal>

³ Aldoradín, H. 2017. *Regidores declaran incapacidad del alcalde de Ica y sus funcionarios*. Diario Correo Ica. Recuperado de <http://diariocorreo.pe/edicion/ica/regidores-declaran-incapacidad-del-alcalde-de-ica-y-sus-funcionarios-723930/>



	Compost	Nauta	
3	INDEPENDENCIA Compost	Municipalidad Distrital de Independencia	0,75

Out of this weighting, Petramás (private) and Cajamarca (public) emerged as the operators qualified to receive support in getting funding sources to implement mitigation measures.

Based on the resulting scores, the financial criteria were applied to the two operators with the highest scores. It is worth noting that most of the financial criteria was of the eligibility (pass/fail) type, and one of the candidates posed a constraint due to the fact that it was unable to provide financial information. Therefore, the evaluation presented below was made with publicly available information.

#	Selection of Operators	#1	#2	#3	#4	#5	#6	#7
		Abatement Cost (MAC curve)	Scale of investment	Identification of co-benefits for SD	Credit history	Balance sheet structure	Public funding access terms	Long-term flows
1	MODELO DEL CALLAO (CUCARACHA) LFG/LFG Petramás, S.A.C.	↑	✓	✓	✓	✓	✓	✓
2	HUAYCOLORO LFG/LFG Petramás, S.A.C.	↑	✓	✓	✓	✓	✓	✓
3	CAJAMARCA LFG Municipalidad Provincial de Cajamarca	↑	ND	ND	ND	ND	ND	ND

After applying the criteria to Petramás as a private company operating the sites “Huaycoloro” and “El Callao”, we confirmed it complies with most criteria. However, there is not financial information available for 2016. “Cajamarca”, being part of the public sector, does not have disaggregated information available about this municipality. The landfill and the municipality still operate, but the economy heavily relies on the future of mining operations in Yanacocha, next to the city and with 7 years of remaining operation life.

Due to the limitation posed by the lack of information available from the pre-selected operators, a new strategy is being followed along with MINAM at the moment of drafting of this document, so that the Ministry of Environment directly invites operators to participate.



PERÚ

Ministerio
del Ambiente



Nordic Council
of Ministers

To analyse funding sources, national and international institutions were presented. Initially, institutions supporting design/preparation, other ones supporting implementation, and others supporting both were all identified. For each one of the institutions, a description and a focus area — among other features— for some similar projects in Peru was also presented.

At the moment of drafting this executive summary, the consultancy team has held meetings with financial institutions (COFIDE, BID). Likewise, a meeting with the operator INNOVA was held. In this meeting, they expressed an interest in the project. It is expected that the collaboration terms with this operator are defined in the next meeting between the consultancy team and MINAM.

3. Product 3: Support to the solid waste operators in the selection of appropriate sources of finance

Consultancy services

«Evaluation of Public, Private and Public-Private Financial Mechanisms and policy instruments for selected operators of solid waste services in cities linked to Solid Waste NAMA»

Product 3:

Support to the solid waste operators in the selection of appropriate sources of finance



PERÚ

Ministerio
del Ambiente



EXECUTIVE SUMMARY

Product #3 focused on the identified funding sources. For this, interviews were organized with key people in financial institutions, so that they could provide information about the project. MINAM staff and the consultants team attended most of these meetings. At the same time, a diagnosis of the selected operators (Innova – Portillo Grande, Innova- Zapallal, Innova – Cumbre, Innova-Chilca and Arequipa) was carried out. The report also included a financial analysis of each selected operator, an analysis of the barriers usually found by operators trying to gain access to funds, and lessons learnt about funding in the local waste sector.

The interviewed institutions supplied information about:

- Corporación Financiera de Desarrollo (COFIDE)
- Banco de Crédito del Perú – Proyectos Medio Ambientales (SECO)
- Fondo de Promoción a la Inversión Pública Regional y Local (FONIPREL)
- Latin America Investment Facility (LAIF) - European Commission
- Inter-American Development Bank
- Climate Technology Centre and Network (CTCN)
- World Bank
- Green Climate Fund (GCF)
- KfW

After the interviews and conversations held with financial institutions, it was concluded that:

The most viable sources will depend on the type of company applying for the funds and the timeframe planned by the company to create a solution.

In the case of private companies with a credit history and a high trading volume, it is possible to get financing with more favourable terms and rates than they would usually get from the private financial system. For this, KfW DEG and SECO Fund are appropriate funding choices. KfW DEG is the fastest option to finance the project from the start and SECO Fund is more suitable to improve profitability through positive environmental impacts.

In the case of municipal companies and regional governments, we recommend a different approach. This approach involves creating critical mass through a program developed with a technical office from the Ministry or the regional government, so that they can apply for mid-term funds from the Green Climate Fund, or for short-term funds from KfW and the European Union, which would be provided as grant-like support for technical assistance in addition to the funds for the assets.

The two operators — one private (Innova) and one public (Arequipa) — are described in the report. Their key features are:

- Innova – Portillo Grande

District	Landfill	Population (inhab) 2013	t/day	t/yr
Cercado de Lima	Portillo Grande	297,784	494.06	180,332
Miraflores	Portillo Grande	82,868	127.71	46,614
San Borja	Portillo Grande	121,622	102.11	37,270
San Isidro	Portillo Grande	58,266	113.26	41,340
TOTAL		560,540	837	305,556

- Innova – Zapallal

District	Landfill	Population (inhab) 2013	t/day	t/yr
Santa Rosa	El Zapallal	15,615	9	3,285
Carabaylo	El Zapallal	266,566	188.65	68,857
Ancón	El Zapallal	41,016	27	9,855
Barranco	El Zapallal	31,680	62.35	22,758
TOTAL		354,877	287	104,755

- Innova – Chilca

It has an area covering 165 hectares in the Chicama district, Ascope province. Among its activities, it includes a Security Landfill for municipal as well as non-municipal solid waste.

- Innova – Chilca

Innova Ambiental acquired a 100 ha plot to build a landfill in the upcoming years for municipal as well as non-municipal waste.

- Arequipa

The generation of municipal waste from the 29 municipalities in the province adds up to 736.09 t/day.

For the financial analysis, the market profitability situation of private operators was examined, focusing on two companies in Lima with a high trading volume and a default ratio of 0 due to their contracts with municipalities with sufficient resources. The analysis used their public financial statements from 2013 and 2014.



The analysis of INNOVA —multinational company with a lower capital of approx. 7 million Peruvian soles— shows that their results in 2013 (19.8 million soles) and 2014 (12.3 million soles) generated equity returns of 284% and 176%, respectively. Their balance sheets don't reflect the annual earnings distribution, but total results. Maybe they chose not to do it due to plans to settle debts or to invest in their business —which is what they have been doing, buying land and growing. The average return on assets is higher than 20%, which means an expected return of 20 cents per dollar allocated to assets. This will be used as a benchmark for later project profitability analysis.

Based on the previously presented analysis, these are the projected funding scenarios for private operators:

1. International soft financing
2. Government funding (direct financial support)
3. Market mechanism
4. Partial funding through RER (Renewable Energy Resources) auction

The same funding scenarios were projected for public operators, but a fifth one was added: A Peruvian mechanism called “Obras por Impuesto” (Works for Taxes).

The barriers described and the possible mitigation measures presented include:

- Probable inefficiency of the institutional organization to manage funds
- Continuity of the mitigation measures operations after a possible change of government
- Lack of interest of relevant political actors to participate
- Permission to determine fees
- Lack of regulatory support to continue the implementation of the mitigation measure
- Poor collection and quality of solid waste data and statistics
- Inadequate urban infrastructure
- Lack of economic solvency
- Access to funds

Finally, for the preparation of this deliverable, a roadmap including the responsible parties and the execution time of the activities was considered, so that a solid waste operator can apply for a funding mechanism. In general terms, the roadmap was based on the application for the Green Climate Fund.

4. Product 4: Support to the solid waste operators in the selection of appropriate sources of finance

Consultancy services

«Evaluation of Public, Private and Public-Private Financial Mechanisms and policy instruments for selected operators of solid waste services in cities linked to Solid Waste NAMA»

Product 4:

Support to the solid waste operators in the selection of appropriate sources of finance



EXECUTIVE SUMMARY

Product #4 focused on describing the process to draft a funding proposal for the Green Climate Fund (GCF) in the case of a private solid waste operator and *Obras por Impuesto* (Works for Taxes) in the case of a public solid waste operator. The analysis included a roadmap for submitting a proposal to each of the sources of finance. Additionally, two guidelines for applying to these sources were included in the report. These guidelines described specific Peruvian requirements to approve the projects before submitting the application to the GCF and *Obras por Impuesto*. As part of the final deliverable, an application form for each source of finance was developed. It was necessary to set a hypothetical scenario since the solid waste operators did not share any information for the development of the project.

Under the section about lessons learnt from support projects in the waste sector on a local scope, such lessons were categorized by normative aspect, capacity building, institutional framework and technology.

The section about analysis and recommendations for mixed sustainability presented the initiatives carried out by the European Union about its municipal waste systems. Likewise, a number of legislative proposals —such as the ones listed below—were identified and proposed for analysis:

- *Proposed Directive on Waste*
- *Annex to proposed Directive on Waste*
- *Proposed Directive on Packaging Waste*
- *Annex to proposed Directive on Packaging Waste*
- *Proposed Directive on Landfill*
- *Proposed Directive on electrical and electronic waste, on end-of-life vehicles, and batteries and accumulators and waste batteries and accumulators*
- *Analytical note on waste management targets*
- *Staff Working Document - Implementation Plan*

The last section about the indicative guide on how to apply for funding included a summary of the activities carried out by this consultancy and a review of the official regulations on no-objection procedures for projects or programs presented to the Green Climate Fund.⁴

Green Climate Fund (GCF)

GCF funds are accessed through the **National Designated Authority (NDA)** for each country. The **NDA** for Peru is the Ministry of Economy and Finance or **MEF**, focused on the General Office of International Economy, Competition and Productivity Affairs, or DGAEICP.

MEF acts as the NDA for Peru along with **MINAM**, should the project require such association in order to assess the proposal and decide whether to grant the letter of non-objection. GCF has expressed that there is an agreement in place between MEF and MINAM regarding climate change. Annex 3 of the Ministerial Resolution No. 218-2017-EF/15 called “Aprueban el Manual de

⁴ http://www.minam.gob.pe/wp-content/uploads/2017/06/DS146_2017EF.pdf



Operaciones del ‘Fondo Verde para el Clima - Perú’” (The Operations Manual for the ‘Climate Green Fund -Perú’ is Approved”)⁵ lists all the individual and shared responsibilities from MEF and MINAM:

- The responsibilities of MEF in the process are:
 - To grant the no objection to projects or proposals to be submitted to the GCF.
 - To prepare financial analyses for project proposals.
 - To identify and designate potential Authorized Entities.
 - To submit preparation program proposals to the GCF.
 - To submit proposals to the GCF aiming to get access to the resources from the *Readiness Support, Project Preparation Facility and Private Sector Facility*.
- The responsibilities of MINAM in the process are:
 - To perform aligned analyses of any projects submitted with the Environmental Policy and other submitted projects, in order to avoid duplicities.
 - To coordinate environmental policies along with regional governments, according to their Regional Climate Change Strategies —among other management tools.
 - To define the portfolio of programs or projects to be developed by MINAM and submitted to the GCF, according to priorities.
 - To propose to the NDA entities to be accredited by the GCF.
- The shared responsibilities of MINAM and MEF in the process are:
 - To develop the National Strategy to get access to GCF resources.
 - To define guidelines for the assessment authorized entities should go through.
 - To design, approve and keep the national no objection procedure up to date.
 - To develop the strategy to communicate the procedures related to submission of projects to the GFC on a national scope.
 - To develop the strategy to promote participation of the private industry through the Private Sector Funding.
 - To prioritize actions to get access to the Preparation Program.
 - To identify proposals with potential to get access to the resources.
 - To coordinate the creation of the Estrategia Nacional de Crecimiento Verde (Green Growth National Strategy) proposal.

According to the agreement, projects must be submitted through an **authorized entity**. Funding depends on the project size, which could be:

- i. Micro: 0 to 10 million dollars.

⁵ See: <https://www.mef.gob.pe/es/por-instrumento/resolucion-ministerial/16113-resolucion-ministerial-n-218-2017-ef-15/file>



PERÚ

Ministerio
del Ambiente



- ii. Small: 10 to 50 million dollars.
- iii. Medium: 50 to 250 million dollars.
- iv. Large: More than 250 million dollars.

The cost refers to those incurred at the moment of implementation of an individual project or activity within a program, regardless of the percentage to be financed by the Fund —and/or any other resources, if applicable. The funding instruments of the Fund are determined on a case by case basis, and can be: donations, equity stakes, guarantees and loans.

In the case of Peru, the only national authorized entity is **PROFONANPE**. There are other authorized entities, such as GIZ, KfW and CAF. PROFONANPE received its authorization as a national entity for **micro**-sized projects with a basic fiduciary and project management standard, and a C —low— risk category. It is responsible for the supply of long-term, stable funding, and for the development and implementation of innovative strategies to preserve and manage protected areas.⁶

The investment criteria to assess proposals are⁷:

- Impact potential: Potential to reach the Fund's goals and results areas.
- Paradigm shift potential: Potential to catalyze the impact of a project/program beyond investments.
- Sustainable development potential: Potential to deliver a wide range of co-benefits.
- Needs of the recipient: Any vulnerabilities and funding needs of the recipient country to be taken into account.
- Ownership: The capacity of the recipient country to own and implement the funded activities.
- Efficiency and effectiveness: Financial and economic strength of the program/project.

Projects are submitted to GCF in two formats: (i) Concept Note and (ii) Funding proposal of the project/program. The first format is voluntary and submitted to MINAM for approval. The second format is submitted to MEF, and MINAM also reviews it. It should be a solid proposal, aligned with the national climate change goals. The proposal also undergoes a peer review process, if needed, involving the relevant sector in order to receive its opinion. The process, including withdrawal of any objections, takes 30 days until MEF delivers the letter of non-objection.

The GCF Operations Manual states the priorities. These are: compliance with the NDC, and/or any of the commitments below, if applicable:

- Any Action Plan Components of the OECD's Environmental Performance Assessment which are linked to climate change.
- Other instruments, plans and/or programs which contribute to address climate change consequences. Based on the analysis of these documents, the intervention areas prioritized by Peru are:

⁶ See: <http://www.greenclimate.fund/-/peruvian-trust-fund-for-national-parks-and-protected-areas>

⁷ http://ledslac.org/wp-content/uploads/2016/10/Carmen-Arguello_Fondo-Verde-del-Clima.pdf



- Water and sanitation
- Energy
- **Solid waste**
- Forests
- Agriculture
- Transportation
- Industrial processes
- Fishing and aquaculture
- Health

Other aspects to take into account are:

- Environmental Impact Assessment
- Paradigm Shift
- Sustainable Development
- Needs of the Recipient
- Country Priorities
- Efficiency and effectiveness

MINAM would work on the priorities on the waste area. Funding can reach 100%, but co-funding will be sought.

In a previous conversation with MEF about GCF, it was stated that the Green Climate Fund is a funding possibility which can be applied to in the medium term, in a period starting in 2019. It will be a feasible alternative as long as there are no debt programs in place until December 2018 aimed at other prioritized national measures – such as recovery plans due to El Niño in 2017. The current situation makes it somehow difficult for the GCF and MEF to acquire debt this year nor the next, due to the current situation of the country and the start of its recovery process.

Private Sector Facility (PSF)

PSF is part of an innovative extension from the GCF, conceived as an opportunity to involve the private sector in the development of climate and resilience projects. PSF focuses on projects about renewable energy, transportation, energy efficiency, water and agricultural efficiency, forests and land use, **waste** management, and urban planning. The PSF can participate by funding risk assessment models and tools, long-term debt, credit lines, refinancing, and guarantees for some specific risks.

The private sector can get access to the program through any Authorized Entity with operations in the Private Sector and by submitting proposals, be them unsolicited or in response to calls.

The PSF budget for 2017 adds up to approx. \$0.6 million for the provision of technical advisory services. Calls are planned for 2017, to establish two pilot programs: one to support micro, small and medium-sized companies (MPYMES), and another to mobilize resources according to the relevant



scope, to address adaptation to climate change and mitigation of its consequences. GCF expects to reinforce its internal preparation in order to launch, implement and review the concept notes and funding proposals from these calls (GFC, 2016).

One of the 27 approved projects in the list by November 2016 is “Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru”, with an allocated funding of \$ 6.2 million.

<http://www.greenclimate.fund/-/building-the-resilience-of-wetlands-in-the-province-of-datem-del-maranon-peru>

Contact person in Peru: Pedro Herrera Catalán / General Director at General Office of International Economy, Competition and Productivity Affairs / Email: pherrera@mef.gob.pe / Tel. +51 3115930.

Two application forms were attached to this deliverable: one for the “Obras por Impuesto” (Works for Taxes) mechanism for Innova y Arequipa, and another for the Green Climate Fund —more specifically, for a project about electrical generation from biogas.

Lastly, as part of this consultancy service, a virtual training took place via GoToMeeting on August 8th, 2017. Here, the results of this consultancy were presented in two parts: the first one was about waste management, and the second, about financial analysis.



PERÚ

Ministerio
del Ambiente



Nordic Council
of Ministers

Acknowledgments: Consultants involved in the Project

International Expert: Ing. Alberto Galante (Perspectives Climate Change S.L.)

International Expert: PhD. Axel Michaelowa (Perspectives Climate Group GmbH)

International Expert: Ing. Vanessa Villa (Perspectives Climate Change S.L.)

National Expert: Ing. Alberto Huiman (Peru Waste Innovation S.A.C.)

National Expert: Ing. Luis Alberto de la Torre



