

PERU - Circular Transition

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



Geographic scope:

- Focus on a limited number of regions
- Focus on a limited number of cities

Thematic scope:

- Focus on a limited number of value chains, with high impact and gender relevance, at national and regional levels.

Governance and horizontal support:

- TEI steering committee and working groups
- Joint dialogue, action and communication
- TEI support cell

Circular economy:

- **Strengthen the policy and regulatory framework and improve the governance**
 - Regulatory framework – Sectoral Roadmaps (EU, DE, NL)
 - Enabling environment for responsible consumption and production (EU, DE, ES)
 - Governance and institutions for Circular Economy (EU, DE, NL)
 - Civil society monitoring and advocacy
- **Promote sustainable territorial and green private sector development:**
 - Sustainable territorial economic development (EU, DE, ES)
 - Green private sector development (EU, DE, FR, NL, ES)
 - Amazon bio businesses and sustainable value chains (EU, DE, FR, NL)
 - Energy Efficiency and Renewables (EU, DE)
- **Foster green finance schemes and investment**
 - Blended finance, loans and guarantees (EIB, DE, FR)
 - B2B matchmakings, exchanges, and investment

Sustainable cities:

- **Promote sustainable urban planning and development**
 - Green urban development plans (EU and DE)
 - City partnerships and cooperation (EU)
- **Expand sustainable urban infrastructure**
 - Urban mobility and transport (DE, FR, NAMA)
 - Sustainable urban housing (EU, DE, and FR)
 - Integrated Waste Management, Energy and Water Supply & Sanitation (DE, FR, NL)
 - Urban regeneration (ES, FR)

MODALITIES/TOOLS

Joint Policy Dialogue

Universities & Research: Horizon 2020, Erasmus+, academic cooperation

Technical assistance

Blended finance, Loans, Grants, Guarantees

Bilateral programme

Financial instruments of EFSD+

Regional cooperation for Amazon, AL-Invest, EUROCLIMA

Trade, investment and B2B

Thematic funding: NAMA, AgriFI, FELICITY

Inter-urban cooperation

KEY DELIVERABLES

Circular Economy and sustainable cities

1. Promotion of economic development strategies for Valle de los Rios Apurimac, Ene y Mantaro (support to strengthen producers, community management, technical and administrative capacities and marketing mechanisms).
2. Adoption of Circular Economy roadmaps for Agriculture and Fisheries & Aquiculture (mid 2023); and Legal constitution of the CE platform Perú País Circular (S1 2023). Support to the sustainable development of agricultural and industrial value chain in areas related to agri-food, metal mechanics, textile and plastics (ongoing). Value chains not yet known - selection to be confirmed during the implementation process.
3. Restoration of soils degraded by coca cultivation and watersheds.
4. Construction of infrastructure and building state capacity for access to and responsible use of water in Abancay and communities in the Mariño micro-basin.
5. Strengthening of indigenous communities in the face of threats from organized crime (prostitution, trafficking, etc.).
6. EIB credit line (100 mill) Corporación Financiera de Desarrollo S.A. (COFIDE), to finance small businesses and climate action investment projects, primarily in the renewable energy and energy efficiency sectors). LACIF blending 3,7 mill (loan and LACIF signed, but results only due in 2023 when a EIB TA is in place to promote it).

TRANSFORMATIONAL POTENTIAL

- Peru's economy transitions towards low-carbon resource efficient practices and climate resilience
 - Selected regions follow sustainable smart development strategies
 - Sustainable finance schemes facilitate investment in circular production and bioeconomy
 - Entrepreneurs and producers embrace circular business models
- Priority value chains become greener
- Peru's cities increase resource-efficiency, reduce pollution, raising quality of life
 - Cities implement sustainable urban planning practices
 - Sustainable urban infrastructure expansion

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NATIONAL CONTEXT

Socio-economic development:

- High economic growth since 1990
- Political instability
- Economic model based on agricultural commodities and minerals extraction
- Solid macro-economy and low debt
- Important COVID-19 recovery stimulus plans
- Tax collection rate below regional average
- LATAM's 4th largest issuer of green bonds
- Incipient circular economy practices
- Recycling rate below 4%
- 94% of Peru's GHG emissions concentrated in 3 sectors: Land-Use Change (53%), Energy (28%) and Agriculture (13%)
- 78% urbanization rate
- Labour informality over 70%

National policies:

- Framework Law on Climate Change (2018)
- Nationally Determined Contributions 2021-2030
- 2030 National Environmental Policy (to be approved)

Circular economy:

- Law of Integrated Solid Waste Management (2016)
- Law for the Elimination of Single-Use Plastics (2018)
- National Plan for Competitiveness and Productivity (2019-2030)
- Circular Economy Roadmaps for Industry (2020), Agriculture and Fishing / Aquaculture (in progress)
- Clean Production Agreements

Sustainable cities:

- Programme for Sustainable Urban Transport (2019)
- Sustainable Urban Development Bill (under discussion)
- National Urban and Rural Sanitation Programmes
- National Plan for Integrated Solid Waste Management (2016-2024)
- National Energy Plan
- Action Plans for Improvement of Air Quality
- Sustainable Construction Technical Code (2015)

GEOPOLITICAL CONTEXT AND RELEVANT SDGs



Paris Agreement on Climate Change

European Green Deal EU-Peru Free Trade Agreement
New Urban Agenda

Leticia Pact for the Amazon
Latin-America and the Caribbean Circular Economy Coalition

Global Alliance on Circular Economy and Resource Efficiency

A Global Agreement on Plastics (under construction)

Agenda 2030

COVID-19 pandemic

**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)