

PMR PROJECT IMPLEMENTATION STATUS REPORT (ISR)

The PMR Project Implementation Status Report should be prepared by the Implementing Country or Technical Partner, with the support of the Delivery Partner and/or the PMR Secretariat. For any questions related to the preparation of the PMR Project Implementation Status Report, please contact the PMR Secretariat at: pmrsecretariat@worldbank.org.

1. SUMMARY INFORMATION

Implementing Partner:	Country/Technical	Peru
Reporting Period:	From 03/01/2017 to 09/30/2017	
Report Date:	06/10/2017	
Implementing Agency:	Directorate of Climate Change and Desertification of the Ministry of Environment (MINAM)	
Contact Person:	Rosa Morales, Director of Climate Change and Desertification / Lorenzo Eguren, Project Coordinator	

Grant Executed By:	World Bank / United Nations Development Programme	
Grant Effectiveness and Closing Dates:	02/2017-02/2020	
Grant Amount (USD):	USD 3,000,000	
Funding Mobilized (USD):	USD 200,000 of government co-financing	
Funding Committed (USD)	USD 885,695 <i>Please fill in the total amount of Grant funding committed towards activities under the MRP (in USD).</i>	

2. OVERVIEW

During the first seven months of implementation, the Partnership for Market Readiness (PMR) project in Peru prioritized actions on each of its three components which have been achieving progress under the Multisector Working Group established for the preparation and implementation of Peru's Nationally Determined Contributions (MWG-NDC), being this the national process to fulfil Peru's nationally determined contribution under the Paris Agreement. This group was created in 2016, with a temporal nature, with its main objective being to generate technical information to guide the

implementation of the NDCs. The MWG-NDC is formed by thirteen Ministries and the National Centre of Strategic Planning. Furthermore, the General Directorate of Climate Change and Desertification (GDCCD) at the Ministry of Environment (MINAM), acts as the Technical Secretary which assists in facilitating the process that allows the participation of the various sectors and stakeholders involved in the implementation of the NDCs.

Regarding the mitigation target, the Ministries part of the MWG-NDC are currently at different stages of progress. Certain Ministries are reviewing the mitigation options that were part of the iNDC submitted in 2015, and are now defining new options that will contribute to achieve the current ambition. The most advanced ministries are in the development stage. This, includes the definition of the baseline, the identification of the enabling conditions, and the quantification of the potential for reducing emissions. Additionally, they will continue with the identification of co-benefits, institutional arrangements, mapping of actors and roles and conduct the economic evaluation needed to implement the actions prioritized. On the other hand, the Ministries that have submitted adaptation objectives, will begin to elaborate and validate actions, projects and programs that will contribute to achieve the objectives settled. Followed by the identification and quantification of the enabling conditions needs to implement them. Along the work of the MWG-NDC, several of the Ministries recognized the role of the subnational governments in the implementation of the programs and projects prioritized for which they concluded on the need of incorporating subnational government representatives into the process.

The PMR project in Peru will support the implementation process of the NDC by establishing a solid Mitigation Action Management System (MAMS) under Peru's enhanced transparency framework for accounting emission reductions, whether to be used to fulfil NDC, to be creditable and transferred to other country, or to be used for Results-Based Climate Finance programs ("no-regret" approach). As this project aims to identify and promote high quality mitigation actions and keep an accurate account of all individual tons of GHG emission reductions that are the result of those activities, it is aligned to the work of the MWG-NDC.

The project started in March 2017 and during these months, it has focused in planning activities, and in elaborating ToRs for the constitution of the Technical Coordination Unit of the project and for the preparation of the first activities. The first activities prioritized were the design of the Mitigation Action Management System (MAMS) and giving support to Ministries of waste, energy and industry sectors, in the identification of mitigation actions that will contribute with the mitigation goal of Peru's NDC and piloting the MAMS.

On the following paragraphs we will summarize the progress up to the date:

- **Progress regarding settle down of technical staff:** The Technical Coordination Unit (TCU on wards) was installed by hiring a national coordinator, a monitoring specialist, an administrative assistant, and three technical specialists. Regarding the technical specialists, one is in charge of supervising the developing of the MAMS, the other, to support the competent ministries to pilot the MAMS with the selected mitigation initiatives, and the third one, to assist both

specialists. The Technical Coordination Unit is under the supervision of the National Director, who is the Director of the General Direction of Climate Change and Desertification (GDCCD) of The Ministry of Environment (MINAM), entity responsible for managing the project in coordination with the Ministry of Economy and Finance.

- **Progress regarding Result 1, implementation of Mitigation Action Management System (MAMS):** This component is focused on the design and implementation of the MAMS for Peru, that includes the National Mitigation Action Registry (Registry). The design of the Registry will include a pilot phase, and the definition of the legal and institutional arrangements and needs to ensure its operation. During 2017, activities of this component include the elaboration of a first draft for the approval procedure for mitigation initiatives and its Registry. This includes the selection process for contracting the company that will provide the registry and a conceptualization of the national MRV system for mitigation actions.
- **Progress regarding Result 2, piloting the Mitigation Action Management System (MAMS):** It is a planned to pilot the MAMS with three mitigation initiatives. The idea is to thoroughly develop three selected mitigation initiatives in order to register them in the National Mitigation Action Registry. This implies update the BAU and emission reduction estimation, developing an MRV for each initiative, align the MRV with national MRV, and identify enabling conditions for its implementation. The initiatives are the solid waste NAMA, Cement NAMA and a photovoltaic panel project for rural electrification. During 2017, the project hired technical experts to work with each Ministry in order to perform these tasks and support the MWG-NDC work in this initiatives .
- **Progress regarding Result 3, increased awareness, understanding, and interest on stakeholder regarding the MAMS:** This component includes all the necessary communicational elements to achieve the project's results. Its activities are oriented to highlight the importance of the MAMS for Peru's NDC process and implementation. During the 2017, the project team is developing a Communication Strategy along with the communication team of the GDCCD, considering the project's goals and the established approach for each project activity. Working with the GDCCD is of great value as it is the Secretariat of the MWP – NDC and this implies the communicational aspects of the PMR project will be aligned with the NDC communicational actions. As part of this process, a technical discussion on carbon market and the implementation of the Article 6 of the Paris Agreement was held in last September. The Ministry of Foreign Affairs, the Ministry of Environment and the Ministry of Finance of Peru participated in the discussion, and also an officer of the Ministry of Energy of Chile and representative of Climate Focus provided international insights.

3. IMPLEMENTATION REPORT BY COMPONENT

Differences between the Objectives/Activities in the Market Readiness Proposal and the Grant Agreement

<p>Are there any important and material differences between the objectives/activities proposed in the Market Readiness Proposal and endorsed by the Partnership Assembly of the PMR and those agreed to in the Grant Agreement with the Delivery Partner and described in the Project's Results Framework?</p>	<p>No</p>
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Implementation Progress by Component

<p>A. Component 1: <i>Design and Implementation of Mitigation Action Management System (MAMS)</i></p>	
<p>Status:</p>	<p>Under implementation</p>
	<p>1. First draft proposal for the Design of a National Mitigation Action Assessment procedure</p> <ul style="list-style-type: none"> • Draft of the potential procedure for the approval of the emissions reductions initiatives to be registered. This procedure will guarantee that the initiative fulfills minimum quality requirements to be registered. Based in previous studies financed by the LECB and SBUR projects for the Ministry of Environment¹, the Technical Coordination Unit of the PMR project in Peru in coordination with the GDCCD, is developing a draft of the potential procedure for the approval of the emissions reductions initiatives to be registered. The procedure will include templates, guidelines, requirements for verifiers etc. <p>Also, some local consultants have been hired to provide inputs to the project regarding:</p> <ul style="list-style-type: none"> ▪ Advances in international negotiations in the framework of the UNFCCC regarding Article 6 of the Paris Agreement and its implications in carbon markets and NDC. ▪ Treatment of REED + initiatives in the MAMS and some insights in how to merge the national registry on REED+ activities to the MAMS. ▪ Tasting templates for applying to the MAMS with some emission reduction activities. <p>It is planed that by the end of 2017 the proposal will be ready.</p>

¹ One was made by the international consulting firm Perspectives and the other by a local consultant.

	<p>2. First proposal for the designing of the Registry for Emission reduction initiatives</p> <p>As part of the process to design the Registry of the MAMS, the Technical Coordination Unit is starting the process for contracting the registry supplier. On this regard, it is under consideration develop a registry as “Software as a Service (SaaS) in which the software vendor – based on a subscription/fee – hosts and maintains the servers, databases and code that constitutes the registry application. This took into account information gathered from the workshops and guidance documents provided by the PMR related to registries development ², and the Peruvian experience including the development of the registry for REDD+. Currently the market study for the selection of the consultant/registry company has been finished. It is expected to have a first proposal for the designing of the Registry for Emission reduction initiatives, by the end of the year,.</p> <p>3. First proposal for conceptualization of the national MRV framework for mitigation actions</p> <ul style="list-style-type: none"> • This proposal is under preparation along with GDOCD of MINAM and aims to set the Peruvian framework for MRV in mitigation. The national framework for MRV is still at a planning stage in the country and it is guided by the national objectives presented in the National Climate Change Strategy and mitigation goal of Peru’s Nationally Determined Contribution. The measurement of the progress in the NDC for the mitigation goal, will use the the Provisions for the preparation of National Inventories of Greenhouse Gases, called Infocarbono ³, and will be complemented by the Mitigation Action Management System (MAMS) sponsored by the PMR. In this way, the Infocarbono will allow to measure progress in NDCs compliance, while the MAMS allow to manage GHG reduction or carbon removal initiatives and to measure their contribution to NDC compliance. The MAMS registry gives us the aggregate data of all the emission reduction initiatives and the individual contribution of each of them from the total. It will also allow Peru to register emissions reductions for Results-Based Climate Finance programs and for making the
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² As the technical workshop held in Sacramento in year 2015, about Building Registries to Support the Next Generation of Carbon Markets and the guidance document “Emission Trading Registries: Guidance on Regulation, Development, and Administration” published in year 2016. See

³ See Infocarbono web page: <http://infocarbono.minam.gob.pe/>

	<p>corresponding adjustments in the emissions accounting of the country for those emission reductions transferred to other countries.</p> <p>The initial dialogue with the Federal Department of the Environment, Transport, Energy and Communication (DETEC) of Switzerland and its implementing agency for piloting ITMOs , Climate Cent Foundation, to evaluate the possibility to piloting ITMOS in Peru, is helping to conceptualize and design our national MRV system.</p>
<p>B. Component 2: <i>Piloting the Mitigation Action Management System (MAMS)</i></p>	
<p>Status:</p>	<p>Under implementation</p>
	<p>4. Engagement of the institutions in charge of coordinating the implementation of the selected emission reductions initiatives to pilot the MAMS.</p> <p>As per request of the institutions in charge of coordinating the implementation of the three emission reduction initiatives mentioned before, technical support have been provided in order to support the development of these initiatives not only for piloting the MAMS but also for supporting the road map elaboration for the implementation of these activities in the context of the MWG – NDC.</p> <ul style="list-style-type: none"> • NAMA for the cement industry, an agreement between ministries of environment and industry have been set in order to formalize mutual collaboration towards the execution of PMR project support for this initiative. This agreement includes the hiring of three technical consultants. One will be in charge of developing the MRV system and support the implementation of the GHG inventory of the sector, the other will coordinate the implementation of the NAMA, and the third one is a technical expert in emission reduction actions for the cement industry. These team also will help to the development of some enabling conditions as regulation for coprocessing and extended producer responsibility, as well as capacity building and engagement activities to stakeholders to promote coprocessing and the demand for blended cement. • Photovoltaic panel project for rural electrification, a technical assistant has been hired to support the Ministry of Energy for the inclusion of this project into the MAMS and for supporting the Ministry’s work within the MWG- GTM. Piloting the MAMS in this sector will not only include the photovoltaic initiative but

	<p>also any other matured emissions reduction action carried by the Ministry. On this regard, in the framework of the MWG -GTM, the Technical Coordination Unit of the PMR project is providing advice to several initiatives of this sector in order to be included in the MAMS, particularly, the ones from the NAMA in Energy led by the Ministry and supported by GEF. This NAMA, is designing 4 sub NAMAS: renewable energy connected to the national grid, energy provision in rural areas not connected to the grid, energy efficiency measures and the implementation of electric buses for urban public transportation. The TCU has already had several meetings and has provided templates to document the initiatives for their inclusion in the MAMS.</p> <ul style="list-style-type: none"> NAMA for solid waste management. The General Directorate of Solid Waste Management at the Ministry of Environment (GDSWM) is responsible for coordinating, promoting advising and agreeing with the sectoral authorities, regional governments and local governments on the implementation of regulations on solid waste management. It is designing the NAMA for the solid waste management with the support of NEFCO. A technical assistant has been hired to support GDSWM for the inclusion of this project to the MAMS and for supporting the MWG- GTM work. The TCU is also working close together with the GDSWM supporting the design of the NAMA and its inclusion in the MAMS. The support includes advice in the evaluation of participating in carbon markets. On this regard, as it was mentioned before, the Switzerland government is interested in piloting ITMOS of Article 6 of the Paris Agreement on solid waste management projects and the TCU is involved in the discussion by advising GDSWM. <p>5. Some advances in MRV and enabling activities</p> <ul style="list-style-type: none"> Assistance for the Development of the MRV plan for the NAMA of solid waste management <p>We are coordinating with the GDSWM for the actions that are being carried out to strengthen SIGERSOL. SIGERSOL will be the repository of information on municipal waste management, including the operation of landfills. In addition, in conjunction with MINAM and the work of the GTM, technical assistance is provided to all members sectors to align MRV plans with the National MRV System.</p>
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	<ul style="list-style-type: none"> Assistance for the Development of the MRV plan for the NAMAs related to renewable energy connected to the grid and side demand energy efficiency initiatives. The TCU has supported the Ministry of Energy to prepare the TORs for the development of the National Grid Emission Factor and its MRV system. This emissions factor is very important because it will be used to calculate emissions reductions for side demand energy efficiency initiatives as well as for renewable energy initiatives connected to the grid. The TCU has deep experience in the calculation of this emission factor and MRV for renewable energy. Support Enabling activities for the NAMA of solid waste management. TCU has been working along with GDSWM to identify and prioritize enabling conditions under the NAMA.
<p>C. Component 3: <i>Increasing awareness, understanding, and interest on stakeholder regarding the MAMS</i></p>	
<p>Status:</p>	<p>Under implementation</p>
<p>Comments:</p>	<p>6. Communications Strategy of the project</p> <p>It was decided that the Project's Communication Strategy will be carried out jointly with the GDCCD to ensure its alignment with Peru's Nationally Determined Contribution Communications Strategy. Thus, a meeting of the PMR TCU, facilitated by the communications team for the GDCCD, and with the participation of UNDP was held. This meeting was able to define the necessary inputs for the Communications Strategy of the PMR Project that expects to have a first version in October of this year.</p> <p>7. Activities for outreaching and engagement</p> <p>In relation to the outreaching and engagement activities of the project, the following events for the year 2017 have been identified so far:</p> <ul style="list-style-type: none"> o Informed discussion on cooperative approaches Article 6 of the Paris Agreement: Workshop organized by the Project and the DGCCD, with the participation of the MEF

	<p>and CEPLAN to assess the role of carbon markets for the development of the country in the context that Peru has to comply with its NDC. The Project participated in the conceptualization of the event and contributed in the the logistics.</p> <ul style="list-style-type: none"> ○ During this year, the Ministry of Environment is organizing thematic dialogues (“Dialoguemos”) on climate change within the framework of InterClima, which is a fuller approach to engage civil society and non-governmental stakeholders. One of these Dialogues, will be sponsored by the PMR Project and aims to generate a space for private sector to participate in the implementation of the NDC. This event includes the economic sectors linked to the mitigation options prioritized by the project.
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If necessary, please add components in the table above.

4. PROGRESS, CHALLENGES, AND LESSONS LEARNED

Important policy or regulatory developments related to the Grant’s objectives and activities:

Developments:

- **Nationally Determined Contributions and the Multisectoral Working Group**

In July 2016, Peru ratified the Paris Agreement, giving a key message of Peru's commitment to initiate actions for the implementation of its Nationally Determined Contributions (NDC). Being a vulnerable country to potential negative impacts of climate change, adaptation is the principal component. Nonetheless, Peru joins the global effort to reduce greenhouse gas (GHG) and presented a commitment of emissions reductions equivalent to 30% in relation to the Greenhouse Gas (GHG) emissions of the projected Business as Usual scenario (BaU) in 2030, starting in 2010. The projection considers the total emissions and removals of the LULUCF sector.

The Peruvian State considers that a 20% reduction will be implemented through domestic investment and expenses, from public and private resources (non-conditional proposal), and the remaining 10% is subject to the availability of international financing and the existence of favourable conditions (conditional proposal).

The adaptation goal includes five sectors during the same established period: water resources, agriculture, fisheries, forestry and health. According to this institutional background, the Peruvian NDC is aligned with the objective of the National Climate Change Strategy until 2021.

As for mitigation, the Peruvian government has included energy, transport, agriculture, industrial processes, waste and LULUCF emissions in its NDC, which are also the categories currently reported in GHG Inventories. Mitigation actions will be implemented in all those sectors, but those sectors that reported the largest share of emissions have been prioritized to determine financial resources from public budget and international cooperation, needed for implementation of actions and achieving the NDC goal.

In order to begin the NDC's implementation phase, in February 2017, the Multisectoral Working Group (MWG-NDC)⁴, started to work in generating technical information that would orientate and contribute to the NDC's implementation. This information includes, the base line scenarios for each sector, the evaluation and / or quantification of costs, environmental and social co-benefits and other economic effects associated to the NDC.

The MWG-NDC is also in charge of developing a tentative roadmap to promote the necessary enabling conditions for the NDC implementation. The preparation of the roadmap will require the GTM-NDC different levels and times:

- A first moment of technical-political appropriation and validation, with exclusive participation of the sectors (central government)
- A second moment of territorial validation, involving regional governments that are very close to the implementation
- A third stage of scaling up and synergies, involving the participation of non-state actors (including the private sector)

- **National Strategy for climate change**

The National Strategy for Climate Change (NSCC) was approved in 2015, as a guiding instrument that articulates the management of climate change in the country. It constitutes the normative framework for the fulfilment of the goals established in our Nationally Determined Contribution submitted to the UNFCCC.

The NSCC establishes the means of implementation and their respective lines of action in order to guide or give guidelines to the national government (ministries and public agencies) and subnational governments (regional and local governments) for the formulation and programming of their interventions, from their respective functions and competencies, that allow the adaptation of society to the effects of climate change and the mitigation of GHG emissions.

To that end, the document establishes two objectives of public policy: (i) "the population, economic agents and the State increase awareness and adaptive capacity in the face of adverse effects and opportunities of the CC," and (ii) economic agents and the State conserve carbon stocks and contribute to the reduction of greenhouse gas (GHG) emissions, "and their respective indicators in order to measure their evolution.

The NSCC has a structure that is consistent with the administrative systems of the State, in particular with the modernization administrative system and the one for strategic planning,

⁴ Created in year 2016 as explained in the "Overview" section of this report

since the interventions formulated and programmed by public entities of the national and subnational government must use said systems to plan, prioritize and execute their institutional objectives.

- **Infocarbono**

Although Peru has made significant progress in enhancing national arrangements for preparing GHG inventories, notably through the creation and operationalization of its Infocarbono, there is no system in place to manage and integrate information related to climate action. The Infocarbono was created through a Supreme Decree (DS°013-2014-MINAM) and it established responsibilities for public entities to report emissions from the activities of their sectors. According to this legal basis, the Ministry of Environment is in charge to manage the Infocarbono and has to give support and build capacities in the other public entities for annually reporting on their sectoral GHG emissions. Moreover, the Ministry of Environment has the responsibility to collect the information provided by other sectors and to aggregate it for the elaboration of the National GHG Inventory. The Infocarbono includes comprehensive Excel spreadsheets for GHG calculations, and sectorial guidelines for preparing the national GHG inventories.

- **Social Price of carbon dioxide in the public investment**

The definition of a social price for carbon dioxide, called Social Price in the context of social assessment, allows incorporating the increase and / or reduce of GHG emissions in the assessment of the net social cost or benefit in a public project.

This social price could be used for any typology of projects where there is a measure of their GHG emissions, such as solid waste projects, mass transit, roads, rural electrification, wastewater, among others and that can be expressed in carbon equivalents.

The calculation obtained for the Social Carbon Price for evaluation purposes of projects in Peru is US \$ 7.17 per tonne of CO₂.

- **Climate Change Legislation**

The Ministry of Environment submitted a proposal of climate change legislation to the Peruvian Congress . The proposal seeks to establish the regulatory framework to reduce the impacts of climate variability affecting the population, being more prepared to flood, mood floods, drought, frost and extreme weather conditions that affect the quality of life of all Peruvians, promoting efficiency and quality of the investment in infrastructure and productive systems resilient to the climate.

Not establishing clear rules for public entities at all three levels of government, the private sector and civil society on the international commitments under the United Nations, will create a void in the national legal framework to respond effectively to the international community.

- **New Regulation on Organization and Functions (ROF) in MINAM**

By the Supreme Decree No. 002-2017-MINAM, the Ministry of the Environment (MINAM) approved its new Regulation on Organization and Functions (ROF) that establishes a modern organizational structure of work, in line with environmental challenges.

In order to achieve the national objectives of climate change and the international commitments, it was decided to create two sub directions under the General Direction of Climate Change and Desertification. The Direction of GHG Mitigation aims to promote the

implementation of policies and actions that would achieve emissions reductions and also put in place the necessary instruments for the MRV. The Direction for Adaptation to Climate Change and Desertification, is in charge of promoting adaptation to climate change, in terms of alleviating the symptoms of climate change and thus preparing ourselves for the effects of extreme weather events.

Challenges: More than challenges, these developments provide opportunities for the PMR project as helped to introduce seriously into the governmental agenda the topic of climate change. The NDC and the MWG-NDC process boost the project as sectors requires assistant to achieve its commitments related to NDC . The new legislation on climate change will help the project to formalize the instruments developed by it as those who help in the implementation of the national MRV framework. Finally, the new ROF will help to strength the management of the project.

Lessons learned: It is necessary to introduce in the governmental policy and regulation the issue of climate change in order to get the interests of the public sector and be incorporated into the planning and budgeting. The development in the provision for the elaboration of national greenhouse gases inventories, Infocarbono, issued by law, demonstrated that sectors can be involved if regulation is set.

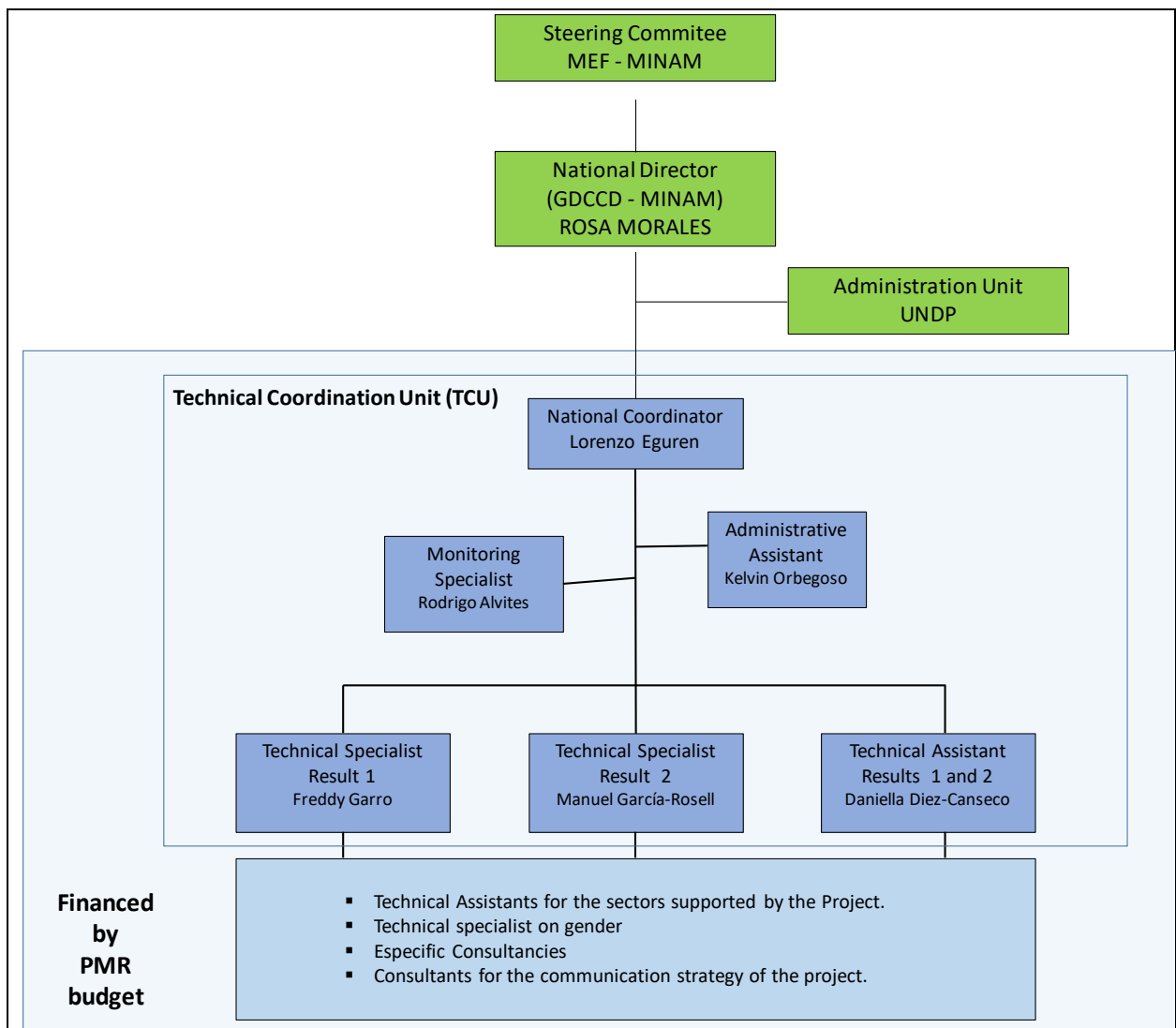
Important changes in the technical design or approach related to the Grant’s activities:

Until now there are no major changes in the technical design or approach related to the Grant’s activities

Key capacity issues (implementation, technical, financial management, procurement) related to the Grant’s activities:

Developments: MINAM as the management entity, has made in these first months the institutional and financial arrangements for the implementation of the project.

In the figure bellow, it is showed the institutional arrangements already set.



The National Director of the project is the General Director of the General Directorate of Climate Change and Desertification of the Ministry of Environment (GDCCD) of MINAM. She supervises the Technical Coordination Unit(TCU) to ensure compliance with the agreements taken by the steering committee and project objectives and its alignment to Peruvian climate change policies.

The Technical Coordination Unit is located in the GDCCD as MINAM. The National coordinator and Technical Specialists of the TCU have an extended experience in mitigation and carbon markets, including experience in verification and validation of projects, as some had worked in Designated Operation Entities and others in the registration of several CDM projects.

This team will be assisted by technical assistants located in the sectors that belong the mitigation initiatives that will pilot the MAMS. Also, a technical specialist on gender has been hired in order to include adequately this topic in the MAMS and in the process of the GTM- NDC. In addition, specific

consultancies will be contracted when necessary as well as specific services for communications actions.

The financed management is in place and rest in the framework for collaboration actions of UNDP in Peru with the government. This framework provides Guidelines and Procedures for National Implementation by the Government of UNDP Supported Projects, which MINAM is already acquainted with as it has been implementing several projects under this modality.

Challenges: Get local consultants experts in MRV in the framework of the enhanced transparency framework of the Paris agreement and in the context of uncertainty regarding the configuration of future carbon markets, is not easy. There are some consultants with an important experience in the CDM and voluntary carbon markets but are few. Also, the situation has been changed as currently Peru has emissions limitation commitments, which was not the case of the era of the Kyoto Protocol. However, by taken advantage of the local experience gained in the CDM and climate change negotiations, of the capacity building resources provided by the PMR, of the exchange of views among south- south partners and other capacity building initiatives, the project is taken the approach of learning by doing, were transparency is fundamental to improve.

Coordination with other carbon pricing initiatives, including those funded by other donors:

The PMR Peru Project, anchored at MINAM, coordinates closely with other relevant climate mitigation programs and initiatives (as outlined above), including in particular projects supporting the development of Peru's national MRV system and the development of prioritized mitigation actions (with GHG crediting potential). It is worth noting that the implementation of the project has contributed to improve the coordination amongst Ministries, specifically, with the Ministry of Finance, which has start exploring carbon pricing tools.

Stakeholder engagement related to the Grant's activities:

Developments: The main developments on this regard has been described in the component 2 of the project above.

Challenges: The coordination for the engagement of entities in charge of the implementation of the three mitigation initiatives selected to pilot the MAMS has been quite challenging. The coordination with the General Directorate of Solid Waste Management (GDSWM) has been relatively fluid as it is part of the Ministry of Environment and has the financed support from NEFCO for the designing of the NAMA of Solid Waste Management. Nevertheless, it was necessary to hire a liaison to assist in the activities related to the PMR as current GDSWM staff is overwhelmed with its ordinary activities. The Ministry of Industry (PRODUCE), required a formal agreement with the Ministry of Environment for piloting the NAMA of the Cement Industry in the MAMS, and its subscription has been taken several months. Happily, the agreement is close to be signed. Finally, the coordination with the Ministry of Energy has been slow although it has GEF support for the development of the NAMA for the energy

sector. The origin of this delay is that the different areas of this Ministry still do not collaborate smoothly with the NAMA. As it was mentioned, aall of them requested technical assistant.

Lessons learned: Permanent technical assistants working as liaisons between the project and key entities has been useful for the implementation of the PMR activities. Also, it has been an advantage the ongoing process of the MWG for NDC implementation to get ministries engagement as there are synergies with the PMR project. Also, it has been important to take advantage of going mitigation projects be in place the key entities, as it is the NAMAs for the energy and solid waste sectors