# Management response to the External Review of "Climate Change Management Support Project (GestionCC) Phase 2" (2018-2021)

## Management Response

The Management Response (MR) states the position of the SDC on the recommendations of the *External Review of "Climate Change Management Support Project (GestionCC) Phase 2"*. The MR provides a solid basis for strategic decision-making especially to guide the steering of the last months of the project's implementation with a view to ensuring that the project can achieve the greatest impacts in the remaining time.

## Assessment of the evaluation

The evaluation was conducted by Deuman[1] in accordance with international standards. The evaluation process was well managed and included close involvement of the SDC's reference group comprising the Head of Office in Lima and the Programme Officers (Lima and Bern) in charge of the project.

The main objective – to conduct a critical evaluation of the extent to which the objectives of the Phase have been achieved – has been met by the evaluators. The SDC appreciates the comprehensiveness of the evaluation report and the sound analysis of key elements of the SDC's performance in *Climate Change Management Support Project (GestionCC) Phase 2*.

The report's analysis and resulting recommendations are considered to be useful for strengthening the strategic orientation of *Climate Change Management Support Project (GestionCC) Phase 2*.

SDC extends its thanks to the evaluators of Deuman, to the project implementation partners, the African Climate Foundation, SouthSouthNorth and Libelula as well as to the project counterparts in Peru, in particular the Ministry of Environment (MINAM), the National Meteorological and Hydrological Service of Peru (SENAMHI), Peruvian Regional Governments of Arequipa, Ucayali and Madre de Dios and the Municipality of Masisea for the excellent cooperation throughout the evaluation process.

## Main findings

The evaluation was conducted in a comprehensive manner, in terms of analysing the recommendations of the Phase 1 External Review, as well as the products generated by the project up to the time of this External Evaluation. It was coordinated with the SDC to address issues of particular interest, and the views of all the main stakeholders involved in this phase of GestionCC project were gathered. This provided the evaluators with realistic inputs for their analysis, allowing them to make recommendations that will be useful for future interventions. It has even gone beyond the scope of the Project due to the close association with what the Peruvian government has done, pondering in the evaluation some shortcomings of the Peruvian governance system itself.

At the national level, the evaluation finds that the project has had a direct and significant impact on four key processes linked to Peru's implementation of the Paris Agreement on Climate Change (the prior consultation for the adoption of the **Climate Change Framework Law Regulations** (approved in December 2019), the **Long-Term Strategy** process,

[1] http://www.deuman.com/

the development of the **National Climate Finance Strategy**, the development and consultation of the **National Adaptation Plan** as well as the participatory stakeholder engagement process called "**Dialoguemos**") through the channelling of funds, and the provision of human, financial and knowledge products that have made it possible to start or continue activities of the country's climate agenda, as well as to reach a greater scope.

The project finances the generation of **climate change scenarios** with a 2050 time horizon and a series of **vulnerability studies** in the forestry, water and health sectors associated with climate change by the National Meteorological and Hydrological Service of Peru (SENAMHI), which are important for the development of the **National Adaptation Plan**. The evaluation notes that the impact of the studies developed by SENAMHI will depend to a large extent on the effectiveness of socialization and the mechanisms promoted to ensure that sectors use them for decision-making to promote adaptation to climate change. The evaluation finds that they served as an important input for the development of NAP and that, without intervention, they would not have been able to be done as quickly.

At the subnational level, the project supported the updating of the **Regional Climate Change Strategies and greenhouse gas inventories** in the regions of **Ucayali** and **Arequipa**, the development of the base map for **forest zoning** of the region of **Madre de Dios** as well as the implementation of a pilot project in Arequipa on **solar-powered electric vehicle charging infrastructure** and technical support for the Municipality of Masisea to have a **renewable electricity generation plant** to supply the entire Amazon district. The evaluation notes that the project has resulted in a catalyst effect on regional processes that usually lack resources and do not have agile and effective channels to coordinate with MINAM and other Ministries to properly conduct complex processes. With regard to capacity building at the subnational level, the evaluation expects that the **planned training program**, as well as the **forum with the participation of the international investor community**, will have a positive impact especially on the negotiating capacity of officials and the strengthening of other soft skills.

At the **regional (Latin America and Caribbean) and international levels**, the evaluation notes that the project has had a moderately significant impact. On the one hand, the Project has participated in several international events and spaces, highlighting among them the community of practice of LEDS LAC, where it has exhibited the Peruvian model. The evaluation notes that the most relevant achievements have been the taking of GestionCC as a reference in the document published by the *Paris Agreement Support Project* on Knowledge Management and exhibitions at international events, both virtual and face-to-face on the pilot project implemented in Arequipa.

The evaluation also notes that the **COVID-19 pandemic** adversely affected the development of the project as it intensified instability and affected institutional roles in the country. Some events had to be suspended, postponed or redefined at the national and international level. In addition, there was a delay in the climate studies conducted by SENAMHI due to the particular limitations of remote work for these specific activities.

The evaluators conclude that the **intervention facilitated relevant processes at the national and subnational levels** that would not otherwise have started or would not have had the same scope, but note that while during Phase 2 the Project has continued to contribute to the creation of enabling conditions, there is no significant progress in the implementation of the NDC. They attribute this to the country's conditions and context, which have made the transition to the implementation stage difficult, since, at both the national and subnational levels, the strategic planning stage is not yet completed. In this regard,

the evaluation identified the following **opportunities to enhance and replicate the success** stories:

1. The **commitment of ministries** in the relevant mitigation and adaptation sectors and the Ministry of Economy is essential to shorten the gap between planning and action.
2. The **implementation of sustainable and replicable pilot projects** impacting civil society and the private sector is an effective mechanism for boosting climate action. The support by relevant sectors is essential for them to be successful.
3. There is great potential for **GHG mitigation and adaptation to CC differentiated by region** that can be well exploited to enable the country to meet its NDC.
4. The **involvement of the private sector** is decisive for the implementation of NDC and for putting pressure on the public sector. It has shown its interest in participating in the country's climate decision-making and action process.
5. **Institutionalization of knowledge, capacities and resources** in general is essential to ensure the sustainability of climate information updating and for climate action itself.
6. The **communication and dissemination** of the Project's activities is essential to generate an impact on civil society. This communication should incorporate the cross-cutting approaches of the NDCs and be understandable by the different audiences to which it is aimed.

The SDC fully agrees with the ***seven*** **recommendations** of the evaluation (see table below) and will take specific measures in line with these recommendations in the remaining months of project implementation.

| | | |
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| 1. | **Strengthen focal points and environmental divisions within sectoral ministries** and improve cross-sectoral coordination and for the NDC upgrade and implementation process. | |
| 2. | **Empower GORE** (Peruvian Subnational Governments) **with technical tools** to formulate and execute sustainable NDC-aligned projects under a standardized, replicable scheme. Ensure the sustainability of the projects implemented and to be implemented. | |
| 3. | **Strengthen coordination between Sectoral Ministries and Subnational Governments** to improve the implementation of mitigation and adaptation measures identified in the territories. | |
| 4. | Increase the participation of private business sector actors and **incorporate financial private sector actors** and promote the effectiveness and sustainability of the implementation of existing instruments and the creation of new ones. | |
| 5. | **Strengthen knowledge management in subnational governments** and the institutionalization of focal points to overcome the challenge of high personnel replacement rate for the continuity of regional climate management, as well as remote working conditions in a pandemic context. | |
| 6. | **Encourage the participation of all levels of government and the private sector in platforms and communities of practice** such as LEDS LAC, CDKN, Action LAC and promote to broaden the scope of existing platforms such as NEXOS+1 beyond the national level. | |
| 7. | **Take advantage of the virtualization of international exchange spaces** to create and consolidate intergovernmental networks that allow constant interaction between leaders of climate action from different countries. | |
| Fully agree | Partially agree | Disagree |

**Overview of recommendations, management response and measures**

| **Recommendation 1** | | |
|---|---|---|
| **Strengthen focal points and environmental divisions within sectoral ministries** and improve cross-sectoral coordination and for the NDC upgrade and implementation process. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| We agree with the recommendation because it is very important that in the process of institutionalization of climate change management, the sectoral divisions of the ministries have to be further strengthened. This is mainly the responsibility of the government with which the GestionCC project cooperates. Thus MINAM's leadership is crucial. | | |
| **Measures** | Responsibility | Timing |
| a) Maintain the "Dialoguemos" process during 2021 to strengthen the focal points of the sectors and subnational governments. The project will seek to involve sectors that have been less involved to date. | GestionCC team. | June 2021 |
| b) Implement the climate action training and acceleration program for focal points. | GestionCC team. | March 2021 |
| c) Increase the participation of other ministries in specific project products (e.g. MEF for financial strategy and sustainability of scenario development, MIDAGRI and MINSA in the sectoral elaboration of climate scenarios through meetings and technical opinion requests; MINEM in the Masisea pilot project and the update of the work programme for the energy sector). | GestionCC team with SDC support. | September 2021 |
| d) Propose the invitation of priority ministries to Steering Committee meetings to report on project activities and engage further with them. | GestionCC team and MINAM | March 2021/ September 2021 |

| **Recommendation 2** | | |
|---|---|---|
| **Empower GORE** (Peruvian Subnational Governments) **with technical tools** to formulate and execute sustainable NDC-aligned projects under a standardized, replicable scheme. Ensure the sustainability of the projects implemented and to be implemented. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| We agree with the recommendation, because - despite the work that has been done by GestionCC - subnational governments still lack to use tools to implement NDCs. | | |
| **Measures** | Responsibility | Timing |
| a) Replicate the work done in Ucayali in order to prepare an analysis of the sector investment portfolio in Arequipa and Madre de Dios. | GestionCC team. | June 2021 |
| b) Conduct knowledge management activities on the main results of the subnational work carried out by the project. | GestionCC team. | September 2021 |
| c) Ensure the systematization and diffusion of the experiences- including the barriers encountered, for pilot projects identified in phases 1 and 2, and the successful completion of the pilot projects, aiming at a higher de- | GestionCC team | June 2021/ September 2021 |

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| gree of sustainability of these projects beyond GestionCC (by, among others, contributing to guidelines for public investment), in particular for the Masisea solar plant, and the electric charging pilot in Arequipa. | | |
| d) Explore the potential for short term implementation of climate action pilots by the private sector in the prioritized sectors. | | September 2021 |

| **Recommendation 3** | | |
|---|---|---|
| **Strengthen coordination between Sectoral Ministries and Subnational Governments** to improve the implementation of mitigation and adaptation measures identified in the territories. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| Indeed, one of the shortcomings of the Peruvian institutional framework is the connection between the national and subnational governments, which is why providing tools to implement the NDC at subnational level is fundamental. | | |
| **Measures** | Responsibility | Timing |
| a) A proposal will be made to the project Steering Committee to generate spaces between regional governments and sector ministries (MINEM, MEF, and MIDAGRI) where the greatest potential for regional climate action is identified. | Project Steering Committee and then GestionCC team. | June 2021 |

| **Recommendation 4** | | |
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| Increase the participation of private business sector actors and **incorporate financial private sector actors** and promote the effectiveness and sustainability of the implementation of existing instruments and the creation of new ones. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| The participation and involvement of the private sector in the design of measures to promote climate sustainability are indispensable for their implementation at scale. | | |
| **Measures** | Responsibility | Timing |
| a) In 2021, the spaces for interaction with the private sector will be increased in alliance with Nexos+1 and Peru 2021. | GestionCC team. | March 2021/ September 2021 |
| b) The participation of the private sector will be encouraged in discussions on the usefulness of climate information tools for decision-making generated by SENAMHI (Climate Scenarios, Climate Map of Peru). | GestionCC team. | September 2021 |
| c) A set of inputs to the national climate finance strategy will be finalised and disseminated including a series of papers on climate finance (financing strategies in Latin American and Caribbean countries, private sector involvement, sectorial climate finance strategies, regional climate finance strategies and a summary document); and the design of a guarantee fund for the promotion of investments in renewable | GestionCC team. | September 2021 |

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| and clean energies. | | |
| d) A clear roadmap has been drawn for ensuring financial sustainability of future climate change scenarios work | GestionCC team and SENAMHI | August 2021 |

| Recommendation 5 | | |
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| **Strengthen knowledge management in subnational governments** and the institutionalization of focal points to overcome the challenge of high personnel replacement rate for the continuity of regional climate management, as well as remote working conditions in a pandemic context. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| We very much agree as it is also linked to recommendation 2, which recommends to strengthen climate institutions at the subnational level. | | |
| **Measures** | Responsibility | Timing |
| a) The project team will work both to give sustainability to the training results already achieved, and to propose ways forward to strengthen the future NDC-related training agenda | GestionCC team. | June 2021 |
| b) Provide tools that promote the proper management of the knowledge generated in the two phases of the project. | GestionCC team. | September 2021 |

| Recommendation 6 | | |
|---|---|---|
| **Encourage the participation of all levels of government and the private sector in platforms and communities of practice** such as LEDS LAC, CDKN, Action LAC and promote to broaden the scope of existing platforms such as NEXOS+1 beyond the national level. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| It is considered relevant that a wide range of actors actively participate in the climate discussion platforms in order to share experiences, lessons learned and best practices, within Peru but also with other countries in Latin America and beyond. | | |
| **Measures** | Responsibility | Timing |
| a) During 2021, the participation of stakeholders from the sectors and subnational governments in existing platforms will be encouraged (such as LEDS LAC, NDC Partnership, Nexos+1, among others). | GestionCC team with SDC support. | September 2021 |

| Recommendation 7 | | |
|---|---|---|
| **Take advantage of the virtualization of international exchange spaces** to create and consolidate intergovernmental networks that allow constant interaction between leaders of climate action from different countries. | | |
| **Management response** | | |
| **Fully agree** | Partially agree | Disagree |
| The use of virtual spaces for interaction and discussion enables reaching out to and engaging with more actors which is certainly an opportunity the project should continue seizing in the coming months, building on the successful experiences made to date. | | |

| **Measures** | Responsibility | Timing |
|---|---|---|
| a) The project will encourage the presentation of successful cases and technical products in the virtual spaces generated by GestionCC and other initiatives or spaces promoted by MINAM – LEDS LAC, NDC Partnership, and official UNFCCC spaces, LTS related platforms. | GestionCC team. | September 2021 |

Finally, SDC has considered the project team request for the no-cost extension and it has been signed an amendment until the end of September 2021, to enable the finalisation of the project activities, in particular those delayed by the COVID-19 pandemic, such as the climate scenarios and the pilot projects and support the Peruvian Long-Term Strategy (LTS) process, in line with the above recommendations, and to ensure the sustainability of the results, including in the context of the possible change of authorities after the July 2021 elections.

19th April 2021

Digital signiert von Jaggi Martin 2S0Q9O
JMG, 2021-04-19 (mit Zeitstempel)

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