



PERU

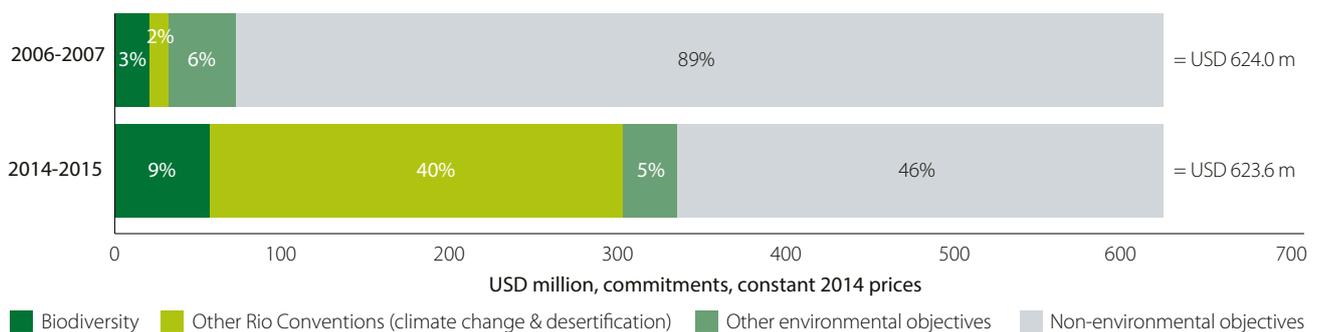
Biodiversity-related Official Development Assistance 2015¹

With Peru's transition to an upper middle-income economy, the development co-operation landscape is changing. Amongst the changes is a shift towards a greater emphasis on environmental objectives in development finance portfolios, including targeting of Rio Convention objectives on biodiversity, climate

change and desertification. The share of Official Development Assistance (ODA) commitments channelled by the members of the OECD Development Assistance Committee (DAC) towards environment-related activities increased from 11% (USD 71.0 million) in 2006-07, to 54% (USD 334.8 million) in 2014-15².

FOCUS ON ENVIRONMENT-RELATED OBJECTIVES IN BILATERAL ODA

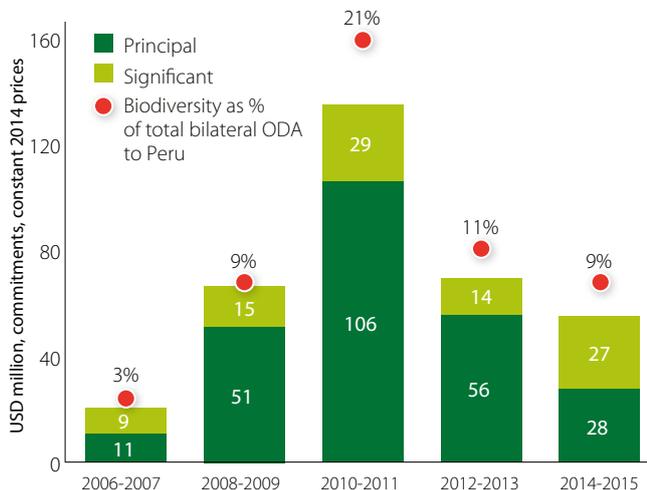
TWO-YEAR AVERAGES



Note: 'Biodiversity' includes activities simultaneously targeting the objectives of other Rio Conventions. 'Other Rio Conventions' includes activities that do not target biodiversity.

BILATERAL BIODIVERSITY-RELATED ODA, 2006-2015

TWO-YEAR AVERAGES, AND SHARES OF TOTAL BILATERAL ODA



Bilateral biodiversity-related ODA to Peru accounted for USD 55.6 million per year in 2014-15, representing 9% of total ODA commitments:

- 51% (USD 28.1 million) targeted biodiversity as a primary or 'principal' objective, implying that these activities would not have been funded but for their biodiversity-related goals.
- 49% (USD 27.5 million) targeted biodiversity as a secondary or 'significant' objective, indicating that biodiversity is being mainstreamed into development co-operation activities in Peru with other primary objectives.

1. The statistics in this flyer are based on data reported to the OECD DAC Creditor Reporting System (CRS) as of November 2016. Data for 2015 are provisional.

2. Over the past decade, half of total development finance to Peru came from multilateral providers. Non-concessional Other Official Flows (OOF) from bilateral and multilateral providers accounted for nearly two thirds of development finance. This flyer focuses on bilateral ODA by DAC members, given that reporting on biodiversity-related multilateral development finance and non-concessional Other Official Flows (OOF) to the DAC CRS is currently partial. Further, it focuses on bilateral ODA earmarked for Peru. This does not include regional initiatives or other activities for which a country has not been specified in the CRS.

For the past decade, grants accounted for nearly all bilateral biodiversity-related ODA to Peru, except for 2009-2011, when large concessional loans were provided by Japan and Germany. This is at odds with the decline in the share of grants in total bilateral ODA to Peru, dropping from 86% in 2006-07 to 64% in 2014-15.

Providers of development finance in support of biodiversity in Peru increasingly recognise the importance of exploiting the co-benefits of biodiversity objectives and those of the other Rio Conventions³.

In 2014-15, 88% of bilateral biodiversity-related ODA simultaneously pursued climate change and/or desertification objectives, which is an increase from 41% in 2006-7.

TOP SECTORS RECEIVING BILATERAL BIODIVERSITY-RELATED ODA AND LEVEL OF MAINSTREAMING

2014-2015 AVERAGE

Top sectors receiving bilateral biodiversity-related ODA

51%
(\$28.3 m)

General environment protection

18%
(\$10.0 m)

Agriculture

12%
(\$6.9 m)

Government & civil society

9%
(\$4.8 m)

Water supply & sanitation

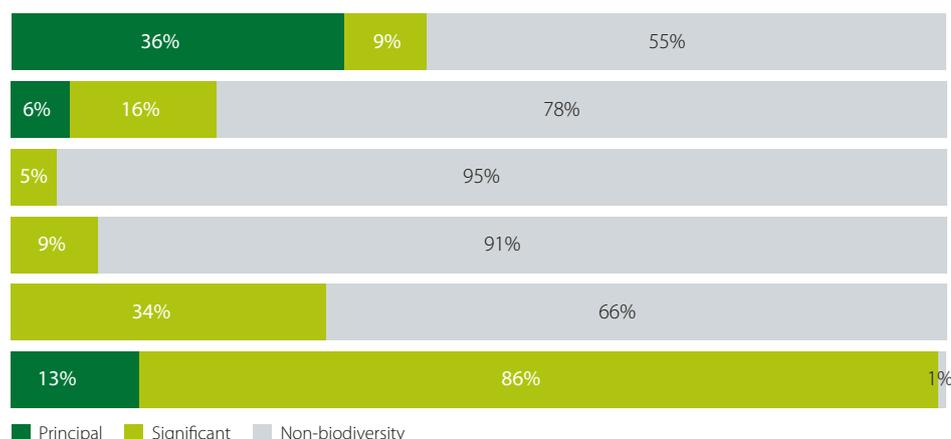
3%
(\$1.8 m)

Rural development

1%
(\$0.7 m)

Fishing

Biodiversity as a share of total bilateral ODA to sector

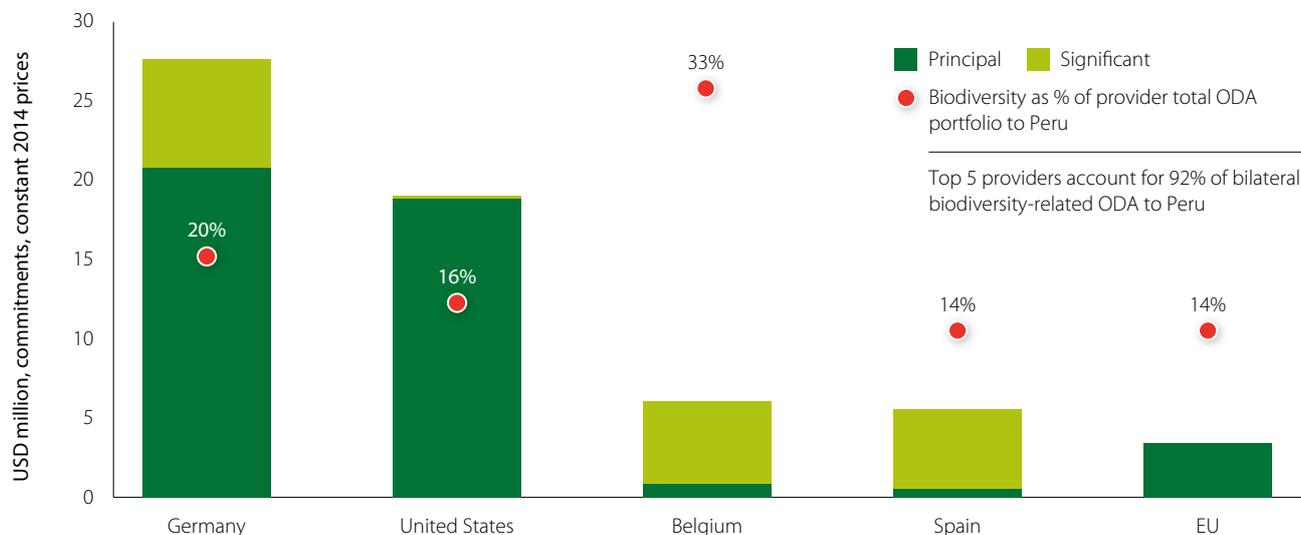


Among the sectors receiving most biodiversity-related ODA in 2014-15 are General Environment Protection, Agriculture, Government and Civil Society, and Water Supply and Sanitation. While the top six sectors account for 94% of bilateral biodiversity-related ODA to Peru, they see varying levels of mainstreaming in total bilateral ODA to the sector. This is reflected in the relative proportion of activities that target

biodiversity as either a 'principal' or 'significant' objective. For instance, of total ODA to the agriculture sector, finance in support of biodiversity-related objectives accounts for 22%; whereas in the fishing sector nearly all ODA supports biodiversity-related objectives. In contrast, the mining sector which has a high impact on biodiversity, receives 0.2% (USD 0.13 million on average per year) of bilateral biodiversity-related ODA.

TOP BILATERAL PROVIDERS OF BIODIVERSITY-RELATED ODA, 2011-2015

FIVE-YEAR AVERAGE



3. The DAC CRS and the Rio marker methodology recognise that development finance may target more than one policy objective, allowing their simultaneous tracking. While it is useful to monitor multiple objectives and often impractical to completely separate them, care must be taken to avoid double counting when compiling and reporting total ODA in support of the Rio Conventions by taking into account relevant overlaps.