Peru - Sustainable Housing and Construction Sector NAMA

Low Emission Capacity Building Project (LECB Peru)
Ministry of Environment – UN Development Program

Contact:

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INTRODUCTION

According to the National Energy Balance 2010, residential, public and commercial buildings consume 45% of the total electricity consumption with a growing trend in the next years. That means almost a half of the total GHG emissions in electricity subsector. So, there is a huge electricity savings and GHG mitigation potential if substantial changes in current housing and construction market are promoted towards sustainability.

Peru has one of the greater annual growth rates (+5%) of Latin America, but this growth has not been done into an organized planning framework. These NAMA proposals will contribute to the implementation of initiatives of the Peruvian Government.

Peruvian housing and construction sector experienced a sustained growth in the last 10 years, considering that 16% of the GDP belongs to this sector. An important share of GHG emissions come from cement, steel and brick production, as well as their use in buildings. NAMA proposals for each of the three industries will have an approach that comprises all the activities that participate in the housing and construction value chain, including public entities, such as the Ministry of Housing, Construction and Sanitation, Ministry of Production, National Training Service for Building Industry (SENCICO), Peruvian Building Chamber (CAPECO), among others.

Sectorial initiatives are implemented: Roadmap of Low Emission Buildings and Inter-institutional coordination committee, Construction Standard EM.110: Thermal and lighting comfort with energy efficiency (in elaboration).

Barriers screening: Real GHG mitigation potential in this sector is unknown; current housing and construction market is unsustainable; local professional capacities are limited; inter-institutional synergies are weak, climate change and GHG mitigation are not a priority in this sector.

ESTIMATED GHG REDUCTIONS AND CO-BENEFITS

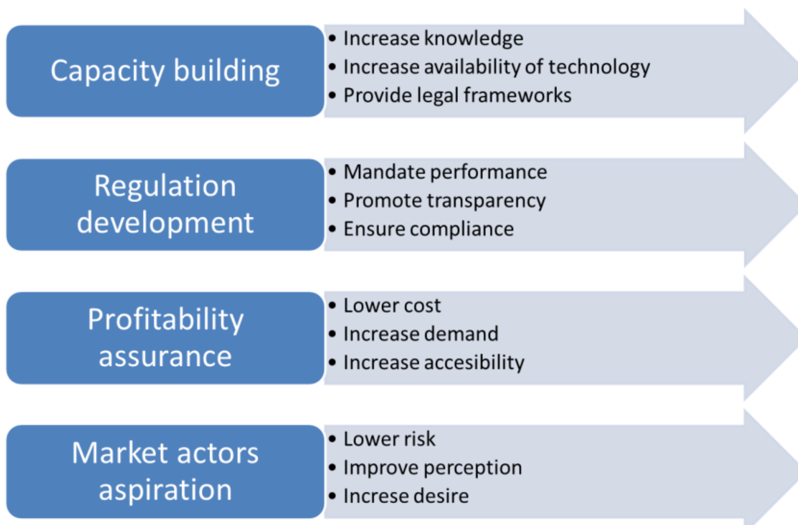
GHG emissions mitigation: Not available at this phase.

Co-benefits:

1. Increase of industry competitiveness.
2. Economic savings from the perspectives of the energy efficiency in thermal processes, lighting and electricity consumption.
3. Development of appropriated regulation to "greening" the market.
4. Opportunities to access Climate Green Fund.
5. MRV systems development and implementation.
6. Green building materials access in the market.
7. Improvement of synergies among sectors: Environment, Energy, Social Inclusion, Education, Production (green building materials)

NAMA DESCRIPTION

Proposed NAMA actions will address identified barriers. The aim is to transform the housing and construction market towards sustainability, taking into account the following solutions:



Hereafter, a summarized description of each proposed NAMA action is shown:

1. **Action 1:** Baseline studies and value chain mapping of the three industries (cement, steel, brick).

   The objective of these studies is to provide concrete information regarding the factors that influence the current conditions of these industries, as well as the housing and construction value chain.

2. **Action 2:** Fostering the production of green construction materials (cement, steel, brick) towards sustainability by means of appropriated policy, regulation and incentives.

   A green construction materials industry is desirable for market transformation. This transformation has to be accompanied by appropriated regulation and incentives. The objective of this action is to enhance and support this initiative.

3. **Action 3:** Capacity building support for public and private market actors.

   The objective of this action is to foster technical capacities of national public and private experts, and to increase knowledge in green construction materials, to develop relevant regulation to allow availability of technology, and to implement MRV systems.

4. **Action 4:** Enhancing institutional control & supervision bodies for a better MRV design and implementation.

   Together with Action 1, relevant public control & supervision bodies will be enhanced financially and technically, by means of hiring experienced human resources, increase dedicated budgets, technology exchange, and inter-institutional synergies.

5. **Action 5:** Technical and financial support in NAMAs design and implementation.

   As already said, MHCS' medium-term aim is to develop a green housing and construction code that will transform the market in Peru. The objective of the action is to provide support to this initiative.

PROPOSED POLICY CHANGES

The green housing and construction code will be the umbrella policy under which the proposed 3 NAMAs will be designed and implemented.

PROPOSED FINANCIAL MECHANISMS

There is not a specific financial mechanism. The Development Financial Corporation (COFIDE), a public second-floor financial entity, through its Bio-business Program (Bionegocios) could develop and implement financial mechanisms to support greening construction materials industries. Likewise, public housing programs, such Mi Vivienda and Techo Propio, could design and implement incentive tools (green mortgage, energy efficiency labeling, renewable energy use in buildings, etc.) to promote the use of green construction materials.

NAMA SELF-FINANCING AND REQUESTED SUPPORT

Not available at this phase.