

Biodiversity conservation in Peru through sustainable investment

Context

Peru is one of the most biologically diverse countries in the world and, together with 16 other megadiverse countries, is home to 70% of the planet's biodiversity. In this context, Peru has enormous potential to market products and provide services that take advantage of its great biological diversity.

Nevertheless, it is often the case that these resources are used unsustainably or that biodiversity-friendly businesses earn low profits and have few opportunities to grow their businesses. One of the major obstacles faced by these businesses is that the conditions for sustainable investments, specifically those known as „impact investments“, are precarious. The risks they face are high and the positive social and environmental impacts of sustainable investments are not recognized in the conventional capital market.

In this context, the Peruvian Ministry of Environment (MINAM) has identified the need to improve the conditions for impact investments. Biodiversity and ecosystem services must be valued economically, so that the current model is transformed towards a green economy. At the same time, the added value of the sustainable use of natural resources must be increased, as well as their competitiveness.

Title	Impact investments for the sustainable use of biodiversity in Peru (BioInvest)
Commissioned by	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), within the framework of the International Climate Initiative (IKI)
Country	Peru
Lead executing agency	Ministry of Environment - MINAM
Overall term	2020 to 2025

Objective

Improving the conditions for impact investment and other forms of sustainable financing in biodiversity-friendly businesses.



Published by

Approach

GIZ supports MINAM in improving the framework conditions for sustainable investments with a focus on biodiversity. In this way, biodiversity-friendly businesses will have a better opportunity to access financing from private investors and public instruments, thereby promoting the sustainable use and protection of natural resources. The project seeks to improve public incentive systems to attract private financing to these businesses.

In addition, the project identifies businesses with strong growth potential to accompany them, and provide them with training until they reach financial maturity. Matchmaking between businesses and investors is also supported. To this end, the public sector, the private sector, international cooperation agencies and academia will jointly develop advisory services for biodiversity-friendly businesses and financing mechanisms to mobilize investment in these types of businesses.

German cooperation supports Peru in implementing national policies to promote greengrowth, competitiveness, and productivity. In this way, it contributes directly to the Peruvian government's green recovery strategy following the COVID-19 pandemic, which is aimed at sustainable economic recovery.



Impressum

Published by
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Impact Investments für die nachhaltige Nutzung der Biodiversität in Peru
(BioInvest)
Pasaje María de Pando 150, Piso 4,
San Isidro, Lima 15073
T +51 (1) 441 2500 / 441 1454
E giz-peru@giz.de
I www.giz.de/peru

Author: Dorothea Kallenberger

Photos:
Banner © GIZ /Diego Pérez
Foto 1 © GIZ /Building Content
Foto 2 © GIZ /Thomas J. Müller

Results

- More than 1,300 biodiversity-friendly businesses have been identified that operate formally and successfully in Peru. Their supply chains cover 22 of the country's 24 departments.
- The first matchmaking event was held in 2022, where 89 businesses met four impact investors: Frankly Green, Alterfin, AndesImpact Partners and NESsT, who introduced them to the mechanisms for accessing financing.
- An investment readiness training program has been implemented for biodiversity-friendly businesses to prepare them to effectively engage with impact investors. 95 entrepreneurs have already taken part in this training program.
- Intersectoral work is promoted to mobilize public resources for sustainable investments. Within this framework, an inventory and prioritization of the adequate public development instruments for biodiversity-friendly businesses was developed, which showed that they have the capacity to mobilize more than 11 million soles (equivalent to approximately EUR 2.8 million). As a result, the Ministry of Production (PRODUCE) and the Ministry of Foreign Trade and Tourism (MINCETUR) agreed to include biodiversity conservation criteria in two of their investment programs to improve conditions for biodiversity-friendly businesses.
- Intersectoral work is being promoted between the Ministry of Economy and Finance (MEF) and MINAM. Within this framework, there is already a proposed roadmap to follow to prepare a classification system for green finance (taxonomy). The MEF has committed to join MINAM in this construction process and to encourage other sectors to participate.

On behalf of
German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), as part of the [International Climate Initiative \(IKI\)](#)

Lima, July 2023

Supported by:



based on a decision of
the German Bundestag