

GLOBAL CLIMATE CHANGE

MAY 2006



Peru is one of the world's most biodiverse countries, and USAID's climate change program is helping the country confront threats to its biodiversity, as well as to the carbon sinks of its vast tropical forests. Policy reforms and improved management of protected areas are important strategies to meeting these challenges. Climate change activities also include supporting the use of environment-friendly technologies to reduce industrial and urban pollution.

Background. Through the 1990s, Peru made significant progress to combat terrorism, reduce production of coca, stabilize its economy, and increase access to social services. Like many Latin American countries, Peru has a sizeable population that lives in poverty, approximately 50 percent. The poverty rate rises higher to 70 percent for its 29 percent indigenous population. The lack of infrastructure and limited state presence in significant portions of the country's interior hinders Peru's ability to govern and has been blamed in some areas for enabling drug trafficking, illegal logging, terrorist activities and other criminal practices.

USAID's overarching goal in Peru is to facilitate both Peru's international and internal integration, thereby contributing to the mutual U.S. and Peruvian goals of good governance, security, and prosperity. USAID/Peru supports capacity building of Peru's environmental institutions to more effectively implement sustainable forest management, protect biodiversity, and to comply with the environmental chapter and cooperation agreement of the pending Free Trade Agreement between the United States and Peru. Technical assistance and training enhanced Peru's ability to sustainably use its natural resources to attract investment and generate jobs and income. To the extent that work is carried out in Peru's major coca-growing areas in support of the US counter-narcotics objective, sustainable forest management, international forestry certification and biodiversity protection activities are also financed by the Andean Counter-drug Initiative.

Sector-Specific Climate Change Activities.

Reducing Net Greenhouse Gas Emissions through Natural Resources and Protected Areas Management. USAID/Peru provides support to the Government of Peru (GOP) for sustainable forestry and protected area management activities. This support includes the implementation and improvement of a nationwide forest concession process to curb illegal logging; the development of a timber certification process; and financing park personnel training and technical assistance to the Natural Resources Institute (INRENA) to mitigate negative environmental impacts in the Cordillera Azul National Park, Pacaya-Samiria National Reserve and the Paracas National Marine Reserve. Through World Wildlife Fund's (WWF) CEDEFOR program, USAID/Peru is promoting forest management as an alternative to coca growing in the Peruvian Amazon. Under the Parks in Peril activity, implemented by The Nature Conservancy, USAID/Peru is supporting increased local participation in the sustainable use of natural resources in two protected areas of the

USAID's partners in climate change activities in Peru include*:

- Chemonics International
- National Environment Council in Peru (CONAM)
- National Institute for Natural Resources in Peru (INRENA)
- International Resources Group (IRG)
- The Nature Conservancy (TNC)
- World Wildlife Fund (WWF)

* Because partners change as new activities arise, this list of partners is not comprehensive.

Peruvian Amazon: Pacaya Samiria (in the lowlands) and Central Selva (comprising three protected areas in the high jungle).

In recent years, USAID/Peru has provided technical assistance and training for 128 small and medium-sized forestry enterprises, covering 2,194,905 hectares in forest concessions. With this support, the forest enterprises are becoming more competitive by establishing an integrated system of forest production based on sustainable forest management practices. USAID has supported more than 15 private forestry concessions and 10 native community forestry concessions in Peru to attain international certification standards of the Forest Stewardship Council. At the end of 2006, the first concessions are intended to pass the independent inspection required to receive this certification; these concessions total over 400,000 hectares. In 2007, USAID/Peru anticipates over 300,000 more hectares to receive certification.

Reducing Net Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas. USAID/Peru supported Peru's Clean Production Center (CET) to improve its ability to provide assistance to Peruvian industries to become more competitive and reduce pollution. CET has leveraged an additional \$2 million from the Swiss Agency for Development and Cooperation and the Inter-American Development Bank to continue cleaner production assistance to the industrial sector.

Under the STEM Project USAID/Peru strengthened the GOP's and private sector institutions' environmental management (EM) capabilities by improving the policy, legislative, regulatory and institutional framework for EM. One of the key results of this activity was the passage of the General Environmental Law, reflecting years of work by USAID and the Peruvian environmental sector. With USAID's support, the National Environmental Council in Peru (CONAM) has begun to evaluate and certify environmentally friendly municipalities applying the new environmental law in a decentralized manner.

Capacity Building Including Activities in Support of the U.N. Framework Convention on Climate Change (UNFCCC). In building greater capacity for protected areas management, USAID/Peru facilitated the development of guidelines/procedures for the establishment of protected areas at the national, regional, and municipal levels, as well as creation of private reserves and parks. Additionally, USAID/Peru provided assistance to draft legislation that defines violations and sanctions in the National Protected Areas.

Under its STEM Project, USAID/Peru provides the tools to INRENA to combat illegal logging and ensure sustainable forest resources management, thus helping to address climate change. Due in part to this activity, the development threat of illegal logging has gained prominence on the national agenda and generated considerable public attention, coverage and debate in Peru. This activity has also improved INRENA's ability to respond to illegal logging and promoted cooperation between INRENA and other central government actors with control and enforcement responsibilities. Additionally, an operating manual and database of forestry laws were created and disseminated. Working closely with the Multi-sectoral Commission Against Illegal Logging, USAID/Peru trained more than 250 GOP officials in wood species identification, legal issues in forestry control, and in the design and implementation of forestry audits.

Finally, to help Peru comply with CITES¹- Mahogany Appendix II, USAID partners developed an illegal logging data collection and analysis system in the Forestry Department of INRENA and facilitated the participation of Peru in CITES meetings.

For more information on Peru, visit the Mission's Websites at:

<http://peru.usaid.gov/>

¹CITES is the Convention on International Trade in Endangered Species of Wild Fauna and Flora. It is an international agreement between governments to ensure that international trade in specimens of wild animals and plants do not threaten their survival. Presently, 169 countries are party to this treaty.