



## ENVIRONMENT AND NATURAL RESOURCES

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*Peru is among a handful of megadiverse countries in the world: It has 84 different ecosystems compared to 101 that exist in the world.*

**P**eru's diverse ecosystems range from some of Earth's driest deserts on its Pacific coast, to snow-covered Andean peaks, to the eastern Andean forests, and finally to one of the wettest environments on Earth, the Amazon basin. Rainforest alone covers 60% of Peru's territory, or 700,000 square kilometers—among the largest of any country in the world.

Peru faces important choices in managing its environment responsibly while leveraging it as an asset for economic growth and poverty reduction. The Ministry of Environment's main challenge is to improve enforcement of Peru's relatively strong environmental laws. Environmental abuses and non-sustainable practices still occur, especially illegal activities (logging, poaching, illegal mining, and coca cultivation).

The Government of Peru (GOP) is committed to confronting environmental and social challenges by reducing poverty through traded growth while conserving biodiversity and adopting climate change best practices. The GOP convenes a "Green Roundtable" to coordinate donors and government ministries on environmental sustainability issues. As the lead donor, USAID strengthens GOP capacity to enforce environmental laws and prevent illicit logging, which is vital for compliance with the U.S.–Peru Trade Promotion Agreement (PTPA). In 2010, with the U.S. Forest Service, USAID initiated design of a chain of custody (COC) control system for species listed under the Convention on International Trade in Endangered Species; supported mahogany and cedar population studies; and helped design methodologies for forest inventories and yield determinations. The program improved authorities' abilities to conduct environmental investigations, prosecute environmental crimes, reduce logging impacts, and monitor carbon captured by tropical forests.

To support a sustainable logging industry while minimizing negative impacts from illegal logging, USAID developed the Forest Certification in the Peruvian Amazon (CERF) program with the World Wildlife Fund. CERF promotes the growth and consolidation of Forest Stewardship Council (FSC) voluntary certification for Peruvian forest concessions, which helps companies and indigenous communities comply with the PTPA.

To conserve biodiversity, USAID supports Cordillera Azul National Park to protect 772,672 hectares of forest. As this park works to achieve sustainable financing, it will qualify for Reducing Emissions from Deforestation and Degradation (REDD) carbon financing, which can be traded on international carbon markets.

**Partners:** *The Americas Fund, National Fund for Natural Areas Protected by the State (PROFONANPE), National Commission for Development and Life without Drugs (DEVIDA), Fund for the Promotion of Forestry Development (FONDEBOSQUE), Association of Peruvian Exporters (ADEX), and Association for Research and Integral Development (AIDER).*

**Implementing Partners:** *Ministry of Environment, U.S. Forest Service, Field Museum of Natural History, World Wildlife Fund, and the Mountain Institute, Inc.*

Climate change has increased tropical glacier melt, with significant water flow reductions predicted for as early as 2030. As water resources decline at the higher elevations, communities dependent upon glacial runoff for crop irrigation and rangeland integrity are impacted. Farmers face the difficult choice of moving to coastal cities dependent on runoff for municipal water supplies, or migrating to areas where other economic opportunities—often illegal—exist.

Ensuring sustainable fresh water for highland and coastal communities is critical to reducing poverty, mitigating conflict, and maintaining economic growth. Through The Mountain Institute, USAID trained 200 community members and municipal officials to adapt to climate change threats in Ancash and Piura, resulting in municipalities establishing water conservation areas in upper watersheds. In 2011, USAID partnered with the local NGO AEDES to expand its climate change adaptation work to southern Peru. This activity will support rural farmers to implement improved practices for water, grassland, forest, and farm management that reduce local climate change vulnerability and heighten resilience. The program also works with local governments to incorporate climate change risk management into development plans.

In 2011 USAID/Peru assumes management of South American regional environmental programs, including the second phase of USAID’s successful Initiative for Conservation in the Andean Amazon (ICAA), a five-year, \$50 million program in Peru, Colombia, Ecuador, Bolivia, and Guyana. A new regional environment team will develop regional policies and implement regional programs specifically geared towards conserving biodiversity and mitigating the impact that Amazon deforestation has on global climate change and indigenous people. Some important results include:

- **Increased economic benefits derived from sustainable resource management and conservation:** 4,145 people benefited economically as a result of Cordillera Azul National Park monitoring and support of 12 forest industries.
- **Increased capacity to deal with climate change:** USAID trained 200 people (59 women) in global climate change including Framework Convention on Climate Change, greenhouse gas inventories, mitigation, and adaptation analysis. USAID also trained municipal officials to prepare proposals to obtain GOP funding for infrastructure projects required to adapt to climate change.
- **Expanded international certification of forest concessions:** In 2010, USAID helped 439,230 hectares of forest maintain certification and it expects to certify 314,961 new hectares in 2011. USAID worked with 22 companies to receive or maintain FSC COC certification, sell more than 15,000m<sup>3</sup> of certified wood, and generate US\$2 million in new private investment in technologies and training.



*Forestry management - “Pueblo Nuevo” native community.*



*In terms of numbers of species documented within its borders, Peru occupies first place for butterflies and second place for birds and for most classes of animal and plant species.*