



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

**USAID/Peru's "Sustainable Environmental and
Natural Resources Management Project" (SENREM)**

I. Background:

USAID/Peru's largest environmental project, SENREM, is an \$11.9 million, five-year effort which has as its "goal" to improve conservation and use of the natural resource base in Peru. SENREM's "purpose" is to increase the capacity of public and private institutions to identify and resolve environmental and natural resource (ENR) problems.

The project agreement was signed on September 22, 1995, between the United States Government (USG), through the U.S. Agency for International Development (USAID), and the Government of Peru (GOP), through its Ministry of Foreign Relations.

SENREM is designed to build partnerships on ENR issues with an array of counterparts including the GOP and the "independent sector" (for-profit and non-profit private sector entities).

II. Summary of SENREM Components:

A. The environmental policy-making and implementation capacity of GOP institutions, especially its new National Environmental Commission (CONAM), and Peru's environmental laws and policy framework need to be strengthened.

Public sector management of natural resources in Peru has been delegated to sector ministries and consequently their ability to address environmental issues has been defined by their existing human and technical capacity. These capacities vary widely. Peru created CONAM in 1995 to articulate a coherent national environmental policy and coordinate ENR management among the different sector ministries.

Peru's existing legal environmental framework does not address differences in sectoral regulations and overlaps. Contradictions in the legal code as to how certain important natural resources are to be managed, or what jurisdiction regional and municipal governments have over the environment also exist. These weaknesses can create uncertainty for the private sector, making investments in improved environmental management risky, and limit the actions of local governments. The ground rules for both private and public actors need clarification, thereby establishing the basis for rational and consistent management of the ENR base.

Component No. 1 of SENREM, entitled "Legal, Regulatory and Policy Framework", will provide technical and financial assistance and training to strengthen CONAM and the ministries. CONAM will be able to secure highly technical (including legal) assistance to respond to specific overlaps, contradictions, and gaps in Peru's ENR legal and policy framework. The sector ministries will be

provided with support in the preparation of sector-specific environmental impact assessments, environmental standards, and reporting requirements. Environmental training for key personnel in sectoral ministries will be provided for the transfer of technical skills in the management of multi-stakeholder or public participation processes, introduction to clean production concepts and principles, pollution prevention assessment methodologies, and other topics. Assistance to help the GOP collect, verify and distribute environmental information will also be provided.

B. The private sector's capacities for consensus-building, problem-solving, and environmental policy dialogue need to be strengthened.

Non-governmental organizations (NGOs) and for-profit enterprises in Peru remain largely on the margins of the environmental policy-making process. Few transparent or formal mechanisms are available for participation in decision-making process. The situation is aggravated by the limited ability and lack of experience of the private sector in collectively proposing alternative programs and policies or in supplying independent environmental services. Were the capacities for policy dialogue and cooperation developed by NGOs and for-profit enterprises, the interests of civil society would be more effectively incorporated into the public decision-making process.

SENREM's second component, entitled "Private Sector Advocacy", promotes the improvement of this capacity through six elements. Through its policy research element, support will be provided to a few well-respected not-for-profit organizations for undertaking (a) sound analysis and outreach on environmental law and policy; (b) analysis and dissemination of environmental information; and (c) the dissemination of alternative scientific and technical solutions for environmental problems.

Support will be provided to ENR networks to act as consensus-builders between the government and the not-for-profit sub-sector in preparing proposals and policies for discussion and in promoting a better understanding and application of the principles and objectives of sustainable development.

Assistance will be provided to publish national social and economic statistics in an annual state of the environment report concentrating on: (a) analysis of environmental trends; (b) chapters on key issue areas; and (c) report cards ranking the most and least progressive industries in terms of protecting the environment.

A series of sector-specific sustainable industries seminars will be organized to discuss: (a) the benefits of pollution prevention; (b) incentive structures for sectoral change; (c) how the public and not-for-profit sub-sector can support private industry initiatives;

and (d) changing roles of the for-profit sub-sector in the environmental arena.

A Clean Production Program has also been designed to provide technical and financial assistance and training in an integrated, high profile effort to promote cost-effective clean production methods that minimize pollution at the source or that reuse, recycle or recover the pollutants.

Finally, the Municipal and Community Environmental Monitoring element will train local governments and community organizations to monitor and assess local environmental conditions utilizing low-cost techniques.

C. The need to develop and test cost-effective, financially sustainable ENR practices and technologies.

In Peru, there is widespread poverty and limited resources for investment in environmental protection. Consequently, solutions to ENR problems must be low-cost and effective so that the environment does not become, or is perceived as, an obstacle to economic growth and development. There is a lack of information on how environmentally sound practices can improve productivity while simultaneously protecting the environment.

SENREM's third component, entitled "Demonstration Projects", will fund low-cost, short-term pilot projects to encourage grassroots demonstration of successful practices in the green, brown, and blue areas of the Peruvian environment. Preference will be given to funding results-oriented, economically-sustainable activities with strong likelihood for replication.