

Data Sheet

USAID Mission:	Peru
Program Title:	Environment and Natural Resources
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	527-012
Status:	Continuing
Planned FY 2005 Obligation:	\$4,549,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$3,264,000 DA
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2007

Summary: USAID finances activities to improve the Government of Peru's environmental policy and build the capacity of Peru's environmental institutions to promote sustainable forest management, protect biodiversity, and to comply with the environmental chapter and cooperation agreement of the pending Free Trade Agreement (FTA) between the United States and Peru. USAID support enhances Peru's ability to sustainably utilize 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, wood certification and biodiversity protection activities will also be financed by Andean Counterdrug Initiative (ACI) funds referenced in the Alternative Development Data Sheet (527-013).

Inputs, Outputs, Activities:

FY 2005 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$2,499,000 DA). USAID will provide support to the Government of Peru (GOP) for sustainable forestry and protected area management. This includes the implementation and improvement of a nationwide forest concession process to curb illegal logging. Additionally, a timber certification process will be developed. In addition, USAID will finance park personnel training and direct technical assistance to strengthen the country's Natural Resources Institute (INRENA) to mitigate negative environmental impacts in key national parks, such as the Cordillera Azul National Park, Pacaya-Samiria National Reserve and the Paracas National Marine Reserve. USAID will encourage the integration of indigenous groups into these activities. Major contractors/grantees include INRENA, World Wildlife Fund (WWF), Field Museum of Chicago, Chemonics International, The Nature Conservancy, and International Resources Group (IRG).

Increase Participation in Global Trade and Investment (\$1,025,000 DA). USAID will support the GOP's ability to comply with the requirements of the eventual Environmental Chapter and accompanying Environment Cooperation Agreement of the FTA, through strengthening the GOP's environment and natural resources institutions and organizations. As negotiations proceed, specific support will be determined; however, institutional strengthening to combat illegal logging and compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES II) will be a major focus. Major contractors/grantees include the Peruvian National Environment Council (CONAM), INRENA, IRG, and the WWF.

FY 2006 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$2,264,000 DA). USAID will continue support for a nationwide forest management and wood certification system, to include combating illegal logging. USAID will expand efforts to cover additional areas and consolidate the forest concessions process, and promote greater inclusion of indigenous groups. USAID also plans to continue providing assistance to improve national park and protected area sustainable management systems, exploring linkages to

commercial uses. Major contractors/grantees are the same as above.

Increase Participation in Global Trade and Investment (\$1,000,000 DA). USAID will continue to support Peruvian Government institutions compliance with the Environmental Chapter and Environmental Cooperation requirements of the FTA. In particular, the focus will be placed on CITES II compliance, on the socialization of benefits generated from environmentally sound trade, and partnerships between private sector industry and the environmental sector. Major contractors/grantees are the same as above.

Performance and Results: USAID's environmental activities achieved important results in 2004, contributing to a strengthened capability to sustainably manage Peru's environmental assets and natural resources. As of October 2004, more than seven million hectares of forest were under the sustainable forest concession system, with associated timber sales of over \$9 million and the creation of over 800 full-time-equivalent jobs. Major steps have been taken to confront the problem of illegal logging, a key issue in the negotiation of the FTA between the United States and Peru. These steps include the re-establishment of a national level multi-agency commission on illegal logging and the creation of sub-national commissions in three regions with major forest resources. Biodiversity protection has been improved in several major national parks through better management and sustainable natural resource use in park buffer zones.

By 2007, USAID will increase the area of sustainably managed forest to nine million hectares, systems for the control of illegal logging will be in place in compliance with CITES II and FTA requirements, and key national parks will have improved management with sustainable natural resource use by populations in the parks' buffer zones.

US Financing in Thousands of Dollars

Peru

	DA	DCA
527-012 Environment and Natural Resources		
Through September 30, 2003		
Obligations	8,508	73
Expenditures	2,466	0
Unliquidated	6,042	73
Fiscal Year 2004		
Obligations	4,058	0
Expenditures	5,450	15
Through September 30, 2004		
Obligations	12,566	73
Expenditures	7,916	15
Unliquidated	4,650	58
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	4,549	0
Total Planned Fiscal Year 2005		
Obligations	4,549	0
Proposed Fiscal Year 2006 NOA		
Obligations	3,264	0
Future Obligations	4,548	0
Est. Total Cost	24,927	73