

## Data Sheet

<b>USAID Mission:</b>	Peru
<b>Program Title:</b>	Environment and Natural Resources
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	527-012
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,040,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$3,070,000 DA
<b>Year of Initial Obligation:</b>	2002
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** USAID finances activities to improve the Government of Peru's (GOP) environmental policy and build the capacity of Peru's environmental institutions to promote sustainable forest management, protect biodiversity, and 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 utilize its natural resources to attract investment and generate licit jobs and income. Striking a balance between the Government of Peru's (GOP) capabilities and civil society demands is at the heart of the strategy that aims to solidify Peru's capacity to comply with its environmental commitments.

Work carried out in Peru's major coca growing areas in support of the U.S. counter-narcotics objective, sustainable forest management, wood certification and biodiversity protection activities will also be financed by Andean Counter narcotics Initiative (ACI) funds referenced in the Alternative Development Data Sheet (527-013).

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,958,000 DA). Through its work with key GOP institutions, USAID supports international timber certification standards for forest concessions, in an effort to both combat illegal logging and promote the sustainable management of forest resources. The certification initiative establishes working models and includes working with private sector as well as indigenous community concessions. USAID provides assistance to key national parks to improve national park and protected area management. A new activity is being designed to help the GOP expand the timber certification process and build capacity. Principal contractors/grantees: Field Museum of Chicago, International Resources Group (IRG), Peru's National Institute of Natural Resources (INRENA), The Nature Conservancy, World Wildlife Fund (WWF).

Increase Trade and Investment (\$1,082,000 DA). USAID assists Peruvian Government institutions to comply with the Environmental Chapter and Environmental Cooperation Agreement requirements of the FTA. In particular, focus is placed on compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES II), on equitable distribution of benefits generated from environmentally sound trade, and on partnerships between private sector industry and the environmental sector. USAID also supports the Peruvian National Environment Council's (CONAM) aim of further advancing the environmental sector decentralization process which seeks to engage municipalities and local populations from all groups nationwide in effective environmental management. Principal contractors/grantees: International Resources Group (IRG), Peru's National Institute of Natural Resources (INRENA), Peruvian National Environment Council (CONAM), World Wildlife Fund.

#### **FY 2007 Program:**

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,864,000 DA). USAID will continue to combat illegal logging and promote the sustainable management of forest resources by supporting the expansion of the timber certification process, GOP capacity building in this arena, and the equitable inclusion of different population groups in these processes. Support will also continue for the improvement of national parks and protected areas within them. Principal contractors/grantees: International Resources Group (IRG), Peru's National Institute of Natural Resources (INRENA), Peruvian National Environment Council (CONAM), and World Wildlife Fund.

Increase Trade and Investment (\$1,206,000). USAID assistance will continue to help Peruvian Government institutions to comply with the Environmental Chapter and Environmental Cooperation Agreement requirements of the FTA. USAID will also continue to support the CONAM's municipal certification process, thus strengthening FTA implementation at local levels. Principal contractors/grantees: International Resources Group (IRG), Peru's National Institute of Natural Resources (INRENA), Peruvian National Environment Council (CONAM), and World Wildlife Fund.

**Performance and Results:** During FY 2005, USAID provided direct FTA capacity building and strategy design support to the Government of Peru's negotiation team and environmental authorities. Reflecting years of work by USAID and the Peruvian environmental sector at large, the Peruvian Congress passed the General Environmental Law in October 2005. Providing the legal mechanisms through which all environmental FTA commitments will be implemented, this law's passage was a tremendous gain for the environment sector. Among other things, it provides for greater inclusion of different population groups in the country's overall environmental management, higher environmental standards for the production sector, and a regulatory role for CONAM. With USAID support, CONAM has begun evaluating and certifying environmentally friendly municipalities across the country, and applying the new Environment Law in a decentralized manner at regional, district and municipal levels. Peru's National Institute of Natural Resources (INRENA) formally recognized that illicit coca cultivations are a threat to Peru's natural resources and national protected areas and has begun a new program with USAID as its principal supporter, working closely with DEVIDA (GOP Counter-Narcotics Agency) to identify and eradicate coca in protected areas and promote eco-tourism in its place. At the local level, FTA momentum also strengthened the decentralization of environmental functions at regional and municipal levels, thus paving the way for the new GOP-led and USAID supported initiatives to certify environmentally friendly municipalities across the country and strengthen the links between local governments and their populations in defense of their environment.

By the end of the strategy, USAID expects to achieve these important results: a forest certification process which results in sustainable natural resource management; decentralized environmental management through GOP certification of "environmental friendly" municipalities; reduction of illegal logging; and improved management of protected areas. All of this work will support Peru in complying with FTA-related commitments for environmental management.

## US Financing in Thousands of Dollars

Peru

527-012 Environment and Natural Resources	DA	DCA
<b>Through September 30, 2004</b>		
Obligations	12,565	73
Expenditures	7,223	15
Unliquidated	5,342	58
<b>Fiscal Year 2005</b>		
Obligations	3,501	0
Expenditures	4,281	5
<b>Through September 30, 2005</b>		
Obligations	16,066	73
Expenditures	11,504	20
Unliquidated	4,562	53
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	3,040	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	3,040	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	3,070	0
Future Obligations	2,319	0
Est. Total Cost	24,495	73