

UNITED STATES – PERU TRADE PROMOTION AGREEMENT: STRENGTHENING FOREST SECTOR GOVERNANCE IN PERU

The Environment Chapter of the United States – Peru Trade Promotion Agreement (PTPA) contains binding commitments to ensure trade and environmental policies are mutually supportive and that environmental protection and enforcement are strengthened. It also contains a groundbreaking Annex on Forest Sector Governance that includes concrete steps the Parties will take to strengthen forest sector governance and combat illegal logging and illegal trade in timber and wildlife products.

How has the Forest Annex catalyzed reform of Peru's forestry sector?

The Forest Annex has catalyzed reform in Peru's forestry sector. Key actions Peru has undertaken to implement the Forest Annex and strengthen forest sector governance include:

- ❖ establishing key forest sector institutions, such as an independent forestry oversight body;
- ❖ amending its criminal code to include substantial penalties for illegal logging and wildlife trafficking;
- ❖ adopting laws and other measures necessary to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and
- ❖ enacting a new Forestry and Wildlife Law that will improve implementation of key provisions the Forest Annex, and publishing draft regulations to implement the new law.

The United States has also invested over \$60 million in environmental cooperation programs in Peru since 2009 to support implementation of the Forest Annex. Illustrative examples include:

- ❖ strengthening institutional capacity within Peru's agencies and regional governments;
- ❖ helping to develop Peru's National Forestry and Wildlife Information System (SNIFF), an electronic system to verify and track the legal origin and proper chain of custody of timber harvested from Peru's forests, from stump to port;
- ❖ providing training to forest investigators and environmental prosecutors; and
- ❖ supporting community forestry activities, such as development of forest management plans and operating plans for future timber harvest in the Amazonas Region.

What tools are available to monitor and enforce the PTPA Environment Chapter?

The United States and Peru have an active record of engagement to monitor implementation of obligations under the Environment Chapter and Forest Annex, and to take action as needed. In January 2013, for example, the United States and Peru agreed upon a bilateral Action Plan to target pressing challenges, such as improving systems to track and verify the chain of custody of timber exports and ensuring timely criminal and administrative proceedings for forestry-related crimes and infractions. The United States also actively solicits input from stakeholders about issues related to implementation of the Environment Chapter and Forest Annex.

The PTPA's enforcement tools include a requirement under the Forest Annex for Peru to conduct audits and verifications of particular producers and exporters upon request from the United States, the ability of U.S. Customs and Border Protection to deny entry to certain shipments subject to verifications or to any CITES-listed products from enterprises who knowingly provide false information during a verification,

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and recourse to consultations and dispute settlement under the PTPA Environment and Dispute Settlement Chapters.

Under U.S. law, the Lacey Act also makes it unlawful, with some limited exceptions, to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plant taken, possessed, transported or sold in violation of U.S. law or foreign laws protecting plants or regulating certain plant-related offenses. Violations of the Lacey Act, which also covers wildlife, can result in civil or criminal penalties, including seizure and forfeiture of the product in question.

What activities are on the horizon for 2014?

The United States intends to keep focus on efforts to implement the Action Plan and strengthen forest sector governance under the Forest Annex, including by hosting trainings for Peruvian environmental prosecutors and law enforcement officials on forestry crimes and anti-corruption and providing comments on Peru's draft regulations to implement its Forestry and Wildlife Law enacted in July 2011. The United States will also seek ways to achieve further progress, including by continued outreach to stakeholders, Congress, and coordination with other relevant USG agencies.

For more details, please visit: [2013 Progress under the Forest Annex](#)