

**Joint Statement of the Meetings of the Peru - United States
Environmental Affairs Council, Environmental Cooperation Commission
and Sub-Committee on Forest Sector Governance**

November 4, 2016
Lima

Lima- On November 3-4, 2016, the Governments of Peru and the United States convened the sixth meetings of the Environmental Affairs Council (EAC) and the Environmental Cooperation Commission (ECC), and the eighth meeting of the Sub-Committee on Forest Sector Governance in Lima. The meetings focused on implementation of the environmental provisions of the Peru - United States Trade Promotion Agreement (TPA), including the Annex on Forest Sector Governance (Annex) of the TPA, and environmental cooperation matters under the United States-Peru Environmental Cooperation Agreement (ECA).

The EAC reviewed the progress that each Party has undertaken the past year in accordance with the provisions established on the Environment Chapter of the TPA and the objectives of that Chapter. The United States shared information on its efforts to implement the Minamata Convention on Mercury, the establishment of new marine protected areas, and on-going efforts to enforce environmental laws. Peru highlighted the Ministry of Environment's priority action guidelines for the 2016-2021 period. The EAC approved Council Decision N° 3 to select and designate Mr. Dino Delgado as the new Executive Director for the Secretariat for Submissions on Environmental Enforcement Matters established in Article 18.8 of the TPA to receive public submissions on such matters.

The Sub-Committee on Forest Sector Governance (Sub-Committee) exchanged information with regard to the implementation of the TPA Annex on Forest Sector Governance. The Governments of the United States and Peru recognized the significant progress that Peru has made to implement the actions established in the TPA Annex on Forest Sector Governance, such as: the adoption of laws and administrative procedures for management, supervision and issuance of permits for the export of CITES species, development of an enhanced information system that will track and verify the chain of custody for timber from harvest to export (paragraph 3.h.ii of the Annex), issuance of the Forest and Wildlife regulations which implement the Forest and Wildlife Law N° 29763 (specifically the provisions related to the commitments under the

Annex), implementing the National Anticorruption Plan on the Forest Sector and implementation of the OSINFOR's Tribunal, among others.

The Peruvian Government also highlighted actions it has taken as part of its domestic agenda to strengthen the forestry sector, such as: the implementation of the National System on Forest and Wildlife Management (SINAFOR), the National System of Control and Surveillance on Forest and Wildlife (SNCVFFS), the Management Information System created by OSINFOR (SIGO), the National Pact for Legal Timber, the Legislative Decrees N° 1220, which establishes measures to fight against illegal logging, and N° 1237 which modifies the Peruvian criminal code to increase penalties for forest crimes, among others actions.

Likewise, the Peruvian Government highlighted additional transparency tools on OSINFOR's and SERFOR's websites, which provide useful information to users and interested persons regarding administrative sanctions on enabling titles (OSINFOR website) and the National Register of Offenders on Forestry and Wildlife legislation (SERFOR website), and the National Register of Regents on Forestry and Wildlife (SERFOR website, which includes information provided by OSINFOR).

The Sub-Committee discussed the results of the recent verification process requested by the United States Government to the Peruvian Government under the framework of paragraph 7 of the Annex on Forest Sector Governance, regarding a specific timber shipment coming from Peru, which entered into the United States in January of 2015. Both governments recognized that despite the important progress that has been made over the years in the forestry sector, important challenges remain to ensuring timber legality throughout the supply chain (in particular, regarding non-CITES timber species, timber products without prior verification for their utilization, or timber products coming from enabling titles which do not appear in the green list of SIGO).

Peru announced unilateral actions that will be implemented promptly as part of its domestic agenda to address on-going challenges regarding timber export products and strengthen the forestry sector:

- amend export documentation requirements by the end of the first quarter in 2017 to include additional information to improve traceability throughout the supply chain;

- implement the National Information System on Forest and Wildlife – Control Module (SNIFFS-MC) in the Amazon corridor (Loreto, Ucayali, Huanuco and Lima) by the end of the first quarter of 2017 and continue to enrich information in the system, and advance its progressive implementation in 2017;
- implement measures to promote legal trade of timber products through: 1) risk-based measures for prevention and timely detection of illegally harvested timber, including inspections by OSINFOR prior to commercialization for export, and 2) promoting the use of voluntary mechanisms for improving due diligence in the exports of timber products, such as the National Pact for Legal Timber and inspections by OSINFOR upon request prior to commercialization for export;
- improve the accuracy of annual management plans, including by strengthening the capacity of regional governments to conduct visual inspections prior to POA approval, and ensuring that forest regents are promptly removed from the national registry of regents for wrong-doing in accordance with Peruvian legislation;
- take measures to ensure that regional governments promptly transfer annual operating plans to the appropriate authorities in accordance with Peruvian legislation;
- determine the responsibilities of those involved in the timber shipment subject to the verification and impose sanctions, in accordance with Peruvian legislation.

The United States welcomed these announcements and the United States and Peru agreed to continue exchanging information on the implementation of these actions in upcoming bilateral meetings.

The ECC reviewed the progress on implementing the US-Peru Environmental Cooperation Work Program (2015-2018) under the US-Peru Environmental Cooperation Agreement (ECA), including the signing of a Memorandum of Understanding (MOU) between the United States Environmental Protection Agency and the Organization of Evaluation and Environmental Inspection (OEFA) focused on issues such as institutional strengthening for effective implementation and enforcement of environmental laws. The ECC highlighted

other cooperation priorities including promoting responsible artisanal and small-scale gold mining, improving ocean and coastal management, and reducing marine debris through the Trash Free Waters program.

The United States and Peru agreed on additional cooperation in support of the actions announced by Peru, such as: a) activities focused on fully implementing the National Information System on Forest and Wildlife-Control Module (SNIFFS-MC), b) strengthening the capacity of regional governments on annual management plans and visual inspections prior to POA approval, c) supporting Peru's efforts to conduct inspections prior to commercialization of timber; as well as other cooperation focused on supporting the implementation of the Annex on Forest Sector Governance of the TPA. The United States and Peru will coordinate, including through the ECC, on an ongoing basis on the implementation of this cooperation.

The EAC and the Sub-Committee also held a public session with the participation of stakeholders, including non-governmental organizations, private sector representatives, and other interested persons, which provided an opportunity for the public to participate in a discussion with government officials about implementation of the Environment Chapter (including the Annex on Forest Sector Governance) of the TPA.

The Members of the EAC and the ECC will continue to work together to further enhance the mutual supportiveness of trade and environmental protection through continued implementation of the TPA Environment Chapter and Forest Annex and the United States – Peru ECA.

The meetings were chaired by Teresa Mera, Chief of Staff from Peru's Ministry of Foreign Trade and Tourism; and Antonio González, Director of Cooperation and International Negotiations from Peru's Ministry of Environment; Behnaz Kibria, Deputy Chief of Staff from the Office of the United States Trade Representative; and Barton J. Putney, Director of the Office of Environmental Quality and Transboundary Issues at the United States Department of State.

Additional Peruvian Government participants in the meeting included officials from the Ministry of Trade and Tourism (MINCETUR), the Ministry of Environment (MINAM), the National Forest and Wildlife Service (SERFOR), Supervising Agency of Forest Resources and Wildlife (OSINFOR), the Ministry of Foreign Affairs (MRE), the Presidency of Council of Ministers

(PCM) and the National Superintendence of Customs and Tax Administration (SUNAT). United States Government participants in the meeting included officials from the United States Trade Representative (USTR), the United States State Department, the United States Agency for International Development (USAID), and the United States Forest Service (USFS).