

Peru

Preliminary Approach regarding FIP

***Ministry of Environment
Ministry of Economy and Finance
Ministry of Foreign Affairs***

***FIP – Pilot Country meeting
Washington DC, 7 – 8 November, 2010***



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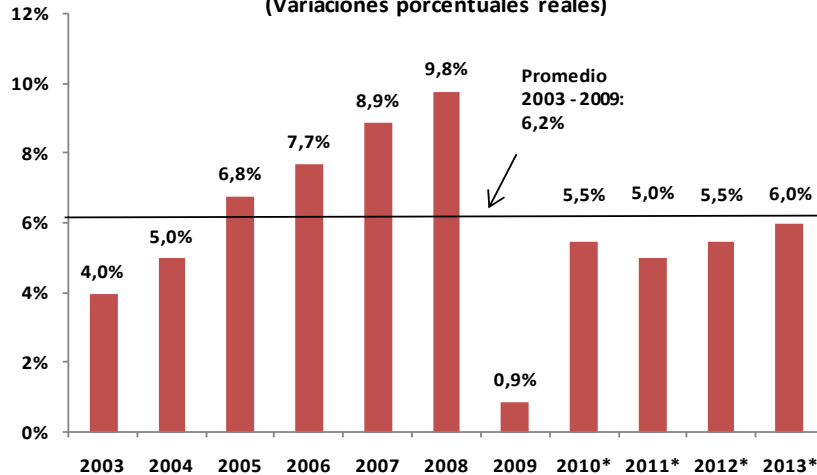
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Trends in national economics

TASA DE CRECIMIENTO DEL PBI: 2003-2013
(Variaciones porcentuales reales)



*Proyección

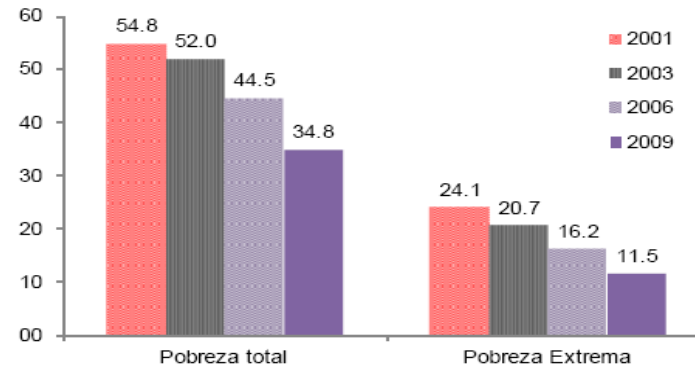
ANUNCIOS DE PROYECTOS DE INVERSIÓN: 2010 - 2012
(Millones de US\$)

Sector	2010	2011	2012	Total
Minería	3 298	5 742	7 046	16 086
Hidrocarburos	2 344	2 388	2 657	7 390
Electricidad	723	966	1 318	3 007
Telecomunicaciones	291	239	46	577
Industrial	1 147	1 004	888	3 039
Infraestructura	2 135	1 159	644	3 938
Otros Sectores	1 297	644	401	2 342
Total	11 235	12 143	13 000	36 377

Fuente: Medios de prensa e información de empresas.

- Stable economic performance
- Long term growth trend estimated at 5% per year; mainly based on non-renewable natural resources;
- Poverty reduction in course, in a context of fast social and institutional changes

Evolución de la tasa de Pobreza Total y Pobreza Extrema (%)



Fuente: ENAHO 2001-2009; Loayza (2004).



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Peru and the Forestry Sector

Highlights:

Country		Area of forest (millions has)
1	Federación Rusa	809
2	Brasil	478
3	Canadá	310
4	Estados Unidos	303
5	China	197
6	Australia	164
7	República Democrática del Congo	134
8	Indonesia	88
9	Perú	69
10	India	68
11	Others	1 333
Total		3 953

- More than 69 million ha of forests (60% of national territory); 54 million programmed for conservation (NPFC)
- Second country in the Amazon Basin in extension of tropical rainforest.
- Fourth country with more tropical forest in the world.
- Amazon river origin in the Peruvian Andes



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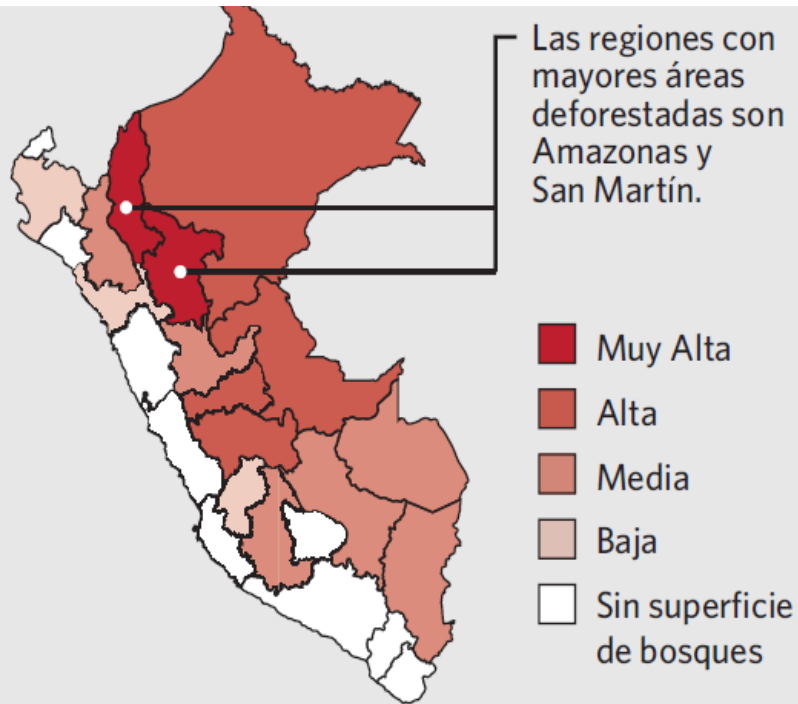
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Forestry Sector – Deforestation Rate

Between 1985 and 2000 the deforestation Rate was approximately 0,2 % (150,000 has per year).



Fuente: MINAM, 2009(g)

Prospects for investment in the Peruvian Amazon:

- Need for hydroelectric projects.
- Hydrocarbons concessions
- More than 10 millions ha with mining potential
- New transoceanic roads
- High potential for biofuel plantations

Efforts on new institutional and legal frames under discussion to prevent possible threats:

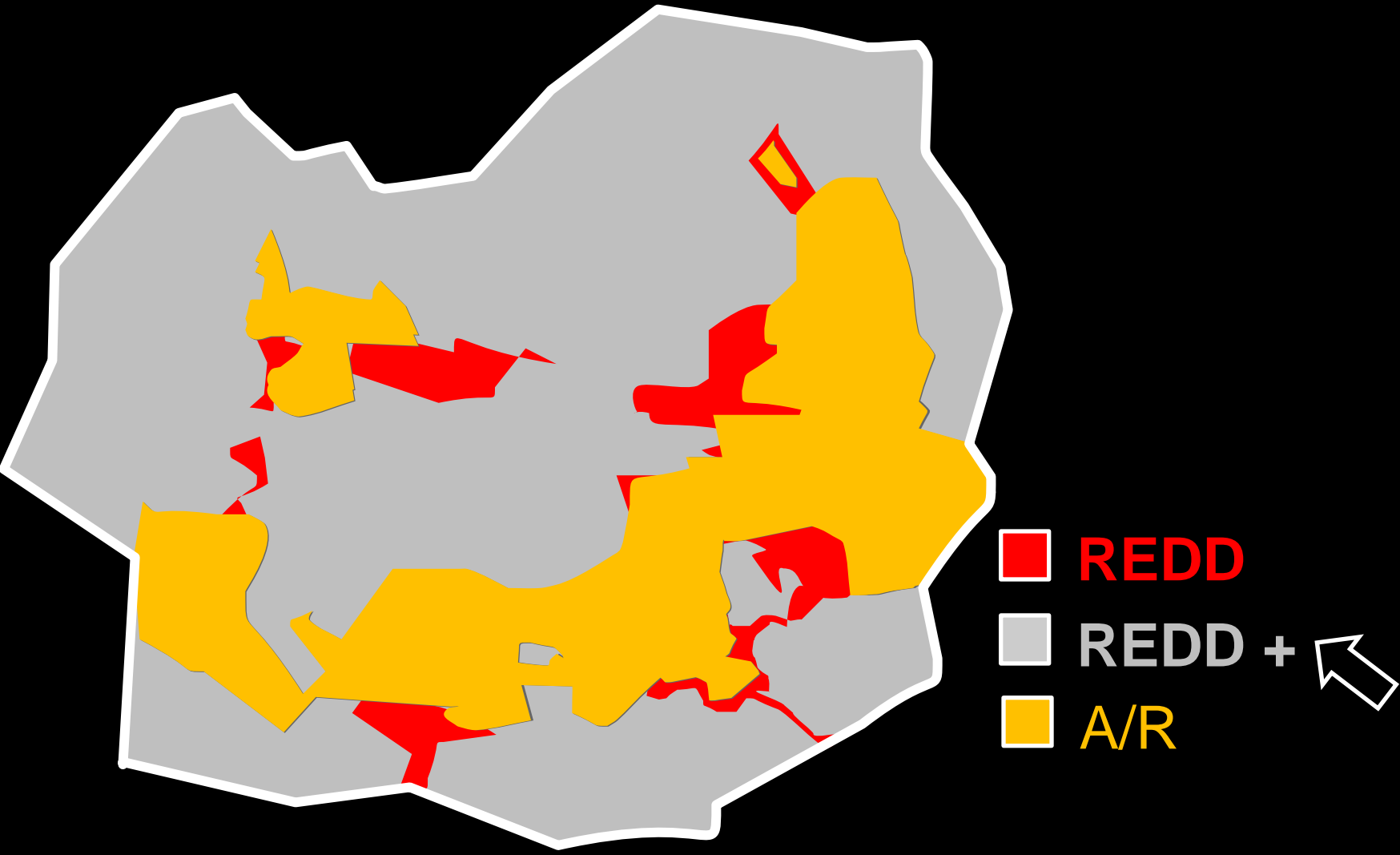
- New law on forestry and wildlife (Ministry of Agriculture)
- Law for Environmental Services
- National Forest Conservation Program for Climate Change

FIP's fitting into national policies: main issues

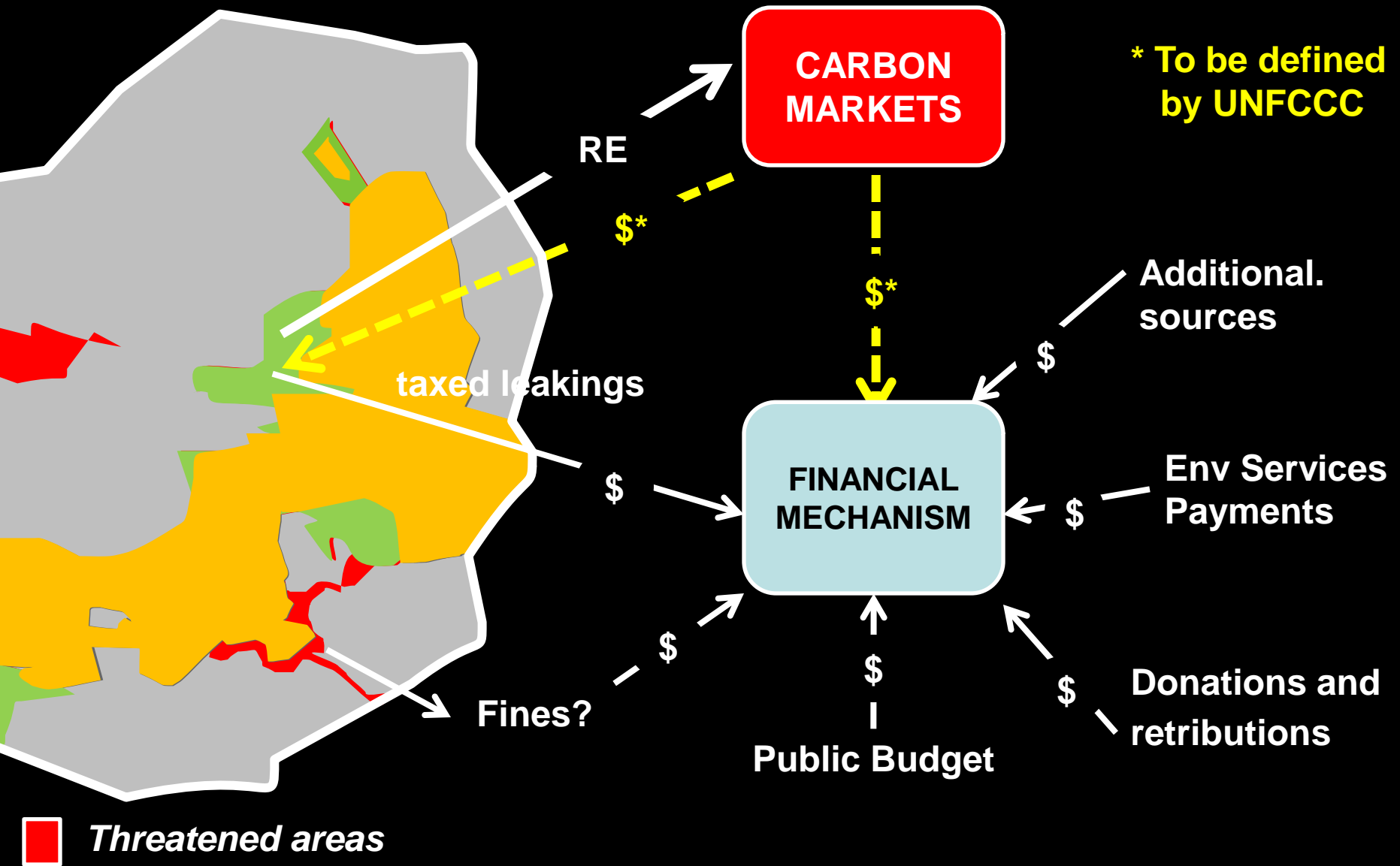
- **Structural governance shifts**: Decentralization and enhancement of regional government roles.
- **Legal reforms** regarding land tenure and titling; property rights for environmental services; participation and benefit sharing mechanisms; protection of indigenous rights and local empowerment for social equity.
- **Changes in land use patterns** and adoption of sustainable alternative economic activities for the Amazon region in order to link sustainable forest management and promotion of national low carbon development proposals.
- **Capacity building** regarding needs in forest conservation, MRV processes, reference scenarios, law enforcement, community and indigenous people involvement, among others.
- **Promotion of public and private investment** in forest carbon related ventures



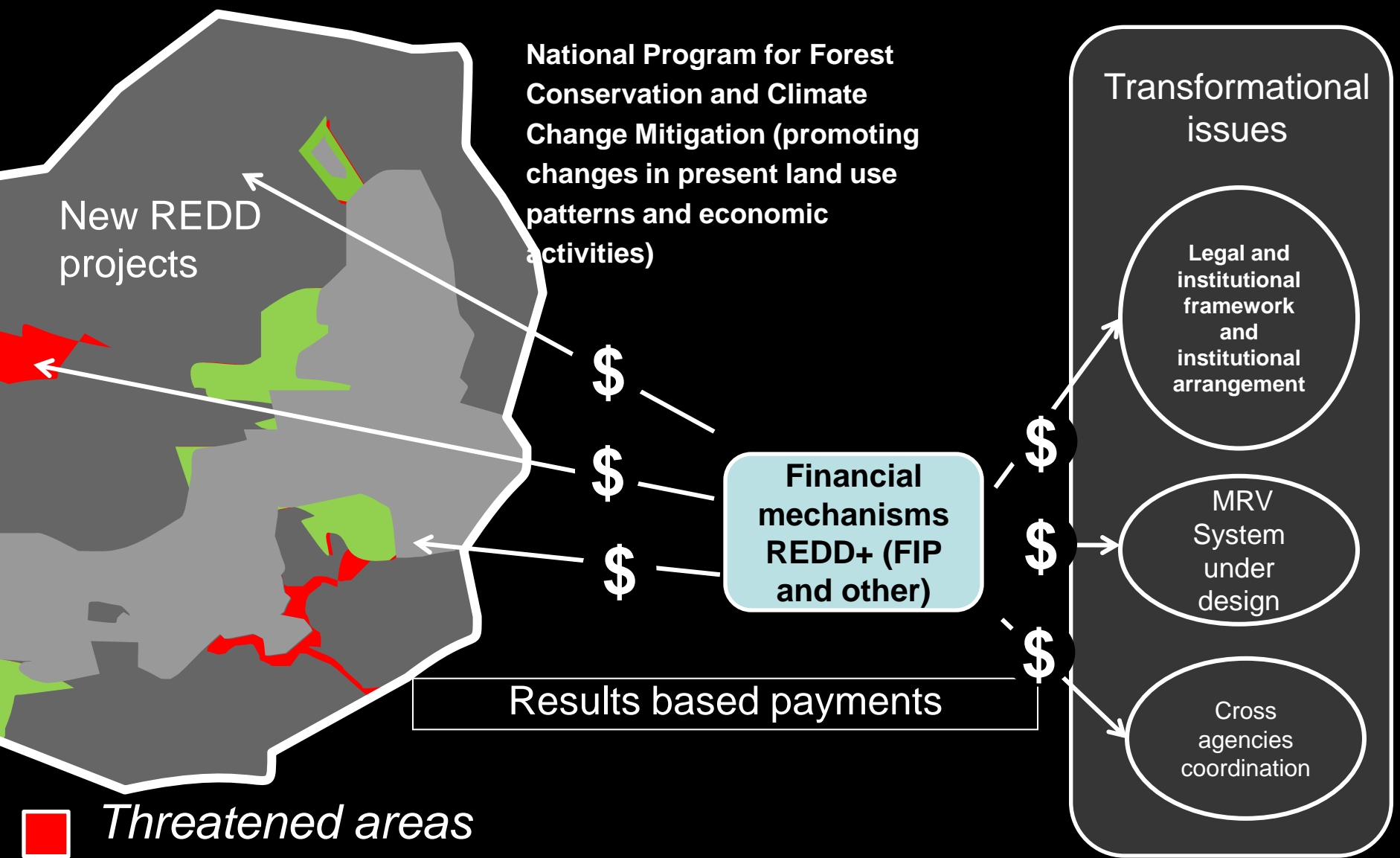
FIP and our approach for REDD+...



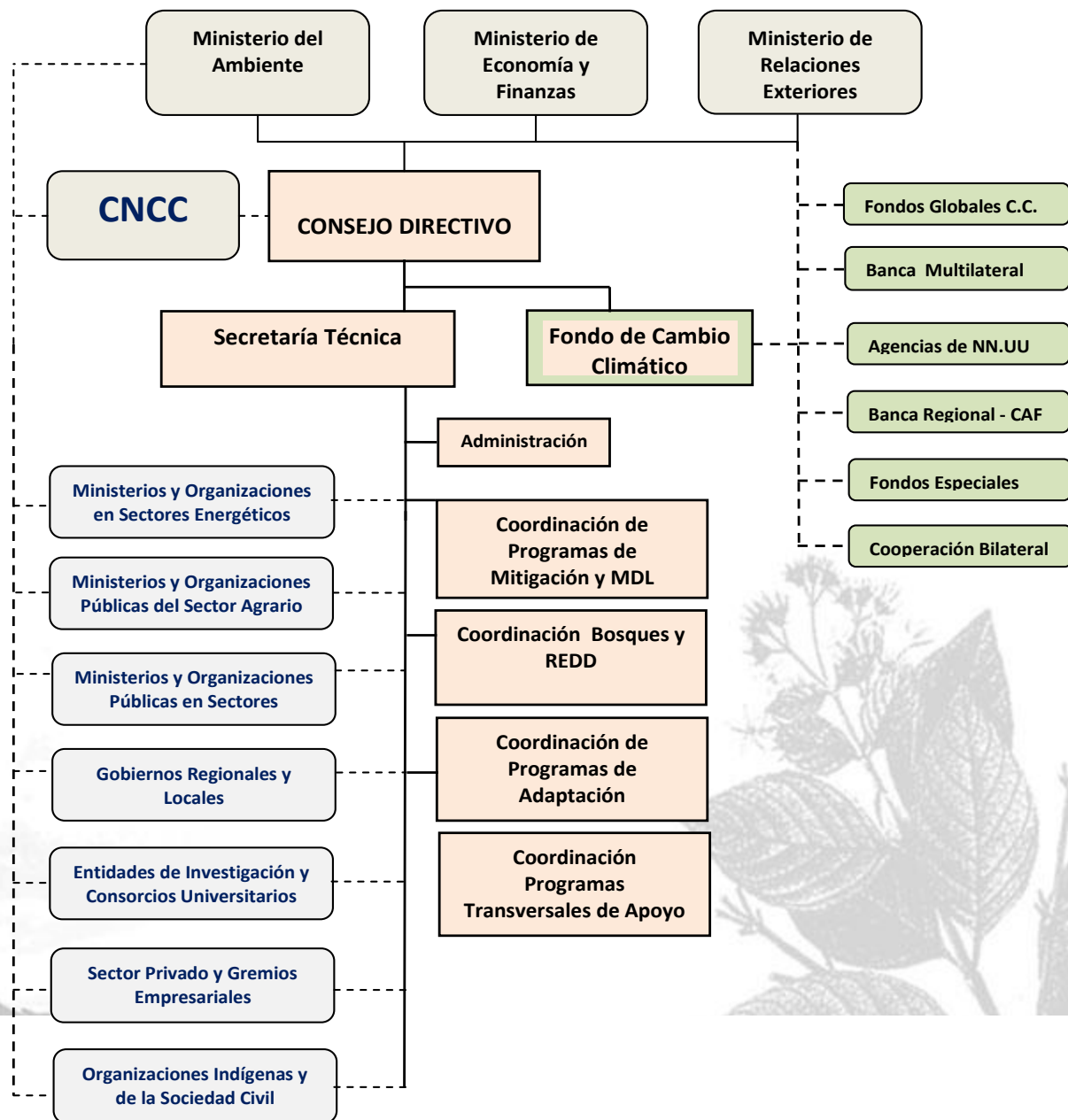
.....proposed scheme



.....proposed scheme



Institutional Arrangements: Ad-hoc agency for the management of climate change issues (under analysis for implementation)



THANKS FOR YOUR ATTENTION

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Ministry of Economy and Finance
Ministry of Foreign Affairs***

Government of Peru



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