

Joint Communiqué of the Meetings of the Governments of the United States and Peru Regarding Forest Sector Governance

The Governments of the United States and Peru met on January 10, 2012 in Lima, Peru to discuss ongoing efforts to strengthen forest sector governance in Peru, including with respect to the exports of forest species included in Appendixes II (bigleaf mahogany) and III (Spanish cedar) of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to the United States. The meetings were chaired by Assistant U.S. Trade Representative Jennifer Prescott, Peru's Vice Minister for Trade Carlos Posada, and Peru's Vice Minister for Agriculture Juan Rheineck.

The Governments reaffirmed their mutual commitment to fulfilling their obligations under the United States Peru Trade Promotion Agreement (PTPA) Annex on Forest Sector Governance and discussed progress implementing the Annex. The Government of the United States noted with appreciation the significant improvements shown by Peru in strengthening its forest sector governance since the entry into force of the PTPA. In addition, the Governments discussed ways to deepen their ongoing cooperation to address specific challenges that remain in Peru's forestry sector, particularly with regards to the management of bigleaf mahogany and Spanish cedar. Both Governments identified a targeted set of actions for Peru to undertake to address these specific challenges, with a commitment from the United States to support Peru's efforts to undertake such actions through cooperation and capacity-building programs.

These actions are as follows:

- 1) Strengthen physical inspections of bigleaf mahogany and Spanish cedar contained in POAs prior to their approval (prior visual inspections), in accordance with Peru's forest and wildlife laws and regulations, including by:
 - improving capacity of DGFFS and Regional Governments' inspectors to conduct accurate prior visual verifications, including for DGFFS to physically inspect 100% of bigleaf mahogany contained in POAs, in accordance with Peru's forest and wildlife laws and regulations; and
 - allocating sufficient personnel, equipment and other resources for DGFFS and Regional Governments' inspectors to conduct accurate prior visual verifications, as well as sufficient resources to allow OSINFOR, as necessary, and in accordance with Peru's forest and wildlife laws and regulations, to participate in DGFFS prior visual verifications and supervise POAs that contain bigleaf mahogany or Spanish cedar.
- 2) Strengthen accurate POA development and implementation, including by:

- improving capacity of forest sector stakeholders, such as forest engineers, concessionaires, native communities, among others and Regional Governments to develop and implement accurate POAs.
- 3) Ensure timely criminal and administrative proceedings to sanction any concessionaire, forest engineer, government official or other responsible party that violates Peru's forestry and wildlife laws, including with respect to POAs that contain false information, including by:
- improving capacity of DGFFS, OSINFOR and Regional Governments to identify potential violations of Peru's forestry and wildlife laws, including by those agencies' personnel, and to initiate and conclude administrative proceedings to sanction responsible parties;
 - systematizing OSINFOR's procedures for post-harvest supervision and sanctions proceedings (PAU), reducing the number of pending PAUs, and constituting OSINFOR's dispute resolution tribunal; and
 - improving the capacity of the Public Ministry and other involved agencies to prevent and prosecute individuals under Peru's criminal code for actions related to forestry or wildlife resources, including with respect to the submission or approval of false POAs, and improving transparency of criminal proceedings initiated and concluded and criminal sanctions imposed.
- 4) Improve systems to track and verify the chain of custody of timber exports of bigleaf mahogany and Spanish cedar, including by:
- continuing the process of establishing, piloting and implementing a national system (SNIFF-MC¹) to provide reliable, real-time and integrated information to track and verify the chain of custody of timber exports from stump to port;
 - expanding Internet connectivity of transportation check points and the capacity of the DGFFS and Regional Governments to supervise check points of timber products; and
 - ensuring that CITES permits are not issued for any shipments sourced from concessions for which OSINFOR has conducted a supervision and reported significant discrepancies between the POAs and the field inspections.
- 5) Strengthen the implementation of Peru's National Anti-Corruption Forest and Wildlife Sector Plan, specifically activities aimed at eliminating the submission of false POAs and the approval of POAs that contain false information.

¹ Módulo de Control del Sistema Nacional de Información Forestal y de Fauna Silvestre.

The Governments will seek to develop specific activities and further plans to undertake these actions to further the implementation of the PTPA Annex on Forest Sector Governance, leading up to and at the next meeting of the PTPA Subcommittee on Forest Sector Governance, which will be held in the first week of April of 2013.