

PRESS RELEASE (23 September 2014)

Peru, Germany, Norway launch climate and forest partnership

Peru will take immediate and decisive action to reduce its forest related emissions towards making the forest- and agriculture sector carbon neutral within 2021 and recognize millions of hectares of indigenous peoples' land claims. Norway commits to pay for verified results with up to 300 million USD for the period up until 2020. Germany will continue its current extensive support to Peru on climate and forest issues, and consider further contributions on the basis of Peru's delivery of results.

Peru, Germany and Norway today entered into a partnership to support Peru's efforts in reducing greenhouse gas emissions from deforestation and forest degradation in the Peruvian Amazon. The partnership was launched through the signing of a Letter of Intent at a joint press conference held by the President of Peru, Ollanta Humala, the Prime Minister of Norway, Erna Solberg, and the German Minister for the Environment, Dr. Barbara Hendricks¹.

"There is growing evidence that economic growth and environmental protection can be combined. The Letter of Intent with Norway is a major step forward in realizing the vision of deforestation free development, and we are firmly committed to implement its provisions faithfully. We do this because it is in the self-interest of Peru, but the support of Germany and Norway will help us in what will surely be a challenging transition phase", said President Humala.

"This agreement represents a partnership grounded in transparency and accountability, and a fundamental understanding of the relationship between socially equitable and economically sustainable development, land rights, land use, and climate change. Norway is particularly pleased to announce this results-based agreement with Peru given its critical role in South America and particularly in the Amazon region and its Presidency of the Conference of Parties to the UN Framework Convention on Climate Change," said Erna Solberg, Prime Minister of Norway.

¹ Letter of Intent between the Government of the Republic of Peru, the Government of the Kingdom of Norway and the Government of the Federal Republic of Germany, Letter of Intent, September 23, 2014. Available at www.regjeringen.no/kld

The Letter of Intent outlines important efforts by the Government of Peru within three main areas:

- Transparency, accountability and multistakeholder participation
- Land rights and land use
- Carbon emission reductions

With more than 68 million hectares of forests, Peru has one of the five largest, most diverse and best preserved tropical forest areas in the world. It is also estimated to be one of the world's four largest tropical forest carbon stores. Although the deforestation rate is relatively low, deforestation accounts for about 71 million tons of CO₂ emissions every year.

"The agreement is very important for the government and the people of Peru, as well as for our forests and the climate," said President Humala. "We are making important commitments that are consistent with our regional and global role in the 21st Century. We have a lot of work to do to protect Peruvian forests, to formalize the rights of Peruvian indigenous peoples, to put Peru on a path toward sustainability. This agreement is an important step for us."

"This newly established Partnership between Norway, Peru and Germany gives us a great opportunity to support Peru in the conservation of a unique ecosystem of global importance. We want to encourage Peru to achieve its ambitious climate goals by, for instance, reducing emissions resulting from deforestation" said German Minister for the Environment, Dr. Barbara Hendricks.

The Peruvian Amazon is currently under increasing pressure from agriculture – mainly small scale cultivators-, extractive industries and infrastructure projects. Underlying causes include weak governance, insufficient land and forest zoning, as well as the low economic value people perceive for the forest. To deal with these challenges, and to counter looming future threats of conversion of forests to large-scale agriculture, Peru commits to set of policies to lead to a transformational change in terms of land use in the Amazon, including low carbon agriculture and sustainable forest management under a landscape and ecosystemic approach.

350,000 indigenous peoples live in the Peruvian Amazon, including several uncontacted tribes. In the Letter of Intent signed today, Peru commits to:

- Give all relevant stakeholders, including local communities, indigenous peoples, civil society, and women, the opportunity of full and effective participation in REDD+ planning and implementation.
- Respect the rights and proposals (as REDD Indígena Amazónico) of indigenous communities to give or withhold their Free, Prior and Informed Consent (FPIC) in relation with any operations on lands to which they hold legal, communal or customary rights, and ensure those tenure rights are respected.
- Increase by at least 5 million hectares the land areas titled to indigenous peoples.

- Include at least 2 million hectares in the payment for conservation performance of indigenous communities.

"Our indigenous peoples' groups have traditionally been the best guardians of our forests. By embarking on this path of deforestation free development, we hope also to reach out to our indigenous peoples and move together towards a more harmonious future", stated President Humala.

Commenting upon the Letter of Intent, Daysi Zapata, Vice President of the Interethnic Development Association for the Peruvian Amazon (AIDSESP), said: "The signing of this agreement is a milestone in the building of a new partnership with the government of Peru, one that aims to address the social, economic and environmental indigenous agendas and to ensure the conservation of our Amazon forests in the long run."

Yolanda Kakabadse, President of WWF-International, remarked: "We recognize the vital role that Peruvian forests can play in mitigating global greenhouse gas emissions and supporting local livelihoods, biodiversity and numerous other social and environmental benefits. We applaud this important commitment from Peru, Germany and Norway to tackle deforestation and forest degradation. I hope this inspires other commitments and pledges so that protection of forests can be scaled up."

Germany will continue its current extensive support to Peru on climate and forest issues, and consider further contributions on the basis of Peru's delivery. Until 2017, the funds from Norway – up to 300 million NOK in this phase – will be devoted to the implementation of key reforms and institution building necessary to reach the phase with payments for reduced emissions. In the period 2017-21, Norway will contribute up to 1,5 billion NOK for results on reduced deforestation.

The measures to be implemented by Peru in the initial phase includes:

- ending the conversion of soils under forests and protection categories to agricultural use;
- taking measures to reduce deforestation from logging, natural resource extraction and mining;
- establishing the key instruments to implement the new forest law;
- establishing a public private coalition with multilateral companies committed to ambitious zero deforestation policies;
- developing appropriate measurement and reporting systems for reducing emissions from forests, as well as for environmental and social impacts.

The launch of the partnership took place at the UN Secretary General's Climate Summit in New York, where the announcement was one of several significant commitments made at the Forest Action area of the Summit.