

THE WHITE HOUSE

Office of the Press Secretary

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FACT SHEET: U.S. - Peru Debt Agreement
Under the Tropical Forest Conservation Act

As part of the Administration's efforts to protect biodiversity and tropical forests around the world, President Bush and President Toledo have committed to signing a debt-for-nature agreement under the Tropical Forest Conservation Act (TFCA).

Under the agreement, Conservation International, The Nature Conservancy, and World Wildlife Fund will contribute \$1.1 million and the United States will provide \$5.5 million to cancel a portion of Peru's debt to the United States. In return, the Government of Peru will issue local-currency obligations in which the payment streams will go to fund tropical forest conservation activities through local non-governmental organizations (NGOs) in Peru.

- Peru will save over \$14 million in debt payments over the next 16 years.
- Peru will provide the local currency equivalent of \$10.6 million toward conservation activities over the next 12 years.
- For every \$1 in U.S. funds, almost \$2 will be spent on conservation activities in Peru.

Peru is home to 84 of the 103 types of "life zones" found on Earth, and ranks as one of the world's top "megabiodiverse" countries. This debt-for-nature deal will help fund the establishment, restoration and maintenance of parks, protected areas, and reserves, as well as training scientists, technicians, and managers involved in conservation.

Peru is the fifth country to benefit from programs under the TFCA (Bangladesh, Belize, El Salvador, and Thailand are the others). TFCA was established in 1998 to provide eligible developing countries the opportunity to reduce their concessional debts owed to the United States while at the same time generating funds for activities to conserve tropical forests.