

L420

From:
Sent: Saturday, August 30, 2003 1:40 PM
To:
Cc:
Subject: FW: CAMISEA

This is the only other recent message that I know of.

-----Original Message-----

From:
Sent: Fri 8/15/2003 6:11 PM
To:
Cc:
Subject: CAMISEA

I just returned from a meeting at the Embassy with the Charge, and the US Treasury team that was here for a few days looking at the Camisea project.

The Treasury rep. indicated that the principal purpose of their visit was to explore whether GOP had followed the proper process in determining the site of the plant next to the Paracas National Reserve. The bottom line is that it would appear the GOP had not followed the correct steps.

The issues are thus two-fold – first, what to do in order to minimize the environmental impact on Paracas, and second, what to do so that future projects of this kind do follow the proper process.

A number of ideas were put forth, all involving USAID input/support:

1. For the Paracas Bay, the establishment of a Paracas Bay Authority. This would be a multi-jurisdictional agency overseeing the development of the Bay. Something like this exists for the Chesapeake Bay. One possibility, establishment of something like an AMRESAM or an AMUVRAE that brings together mayors of the region.

2. Pluspetrol has indicated interest in setting up a social solidarity fund. One possibility – a GDA with Pluspetrol, maybe bring in the other actors, such as Hunt Oil.

3. Reducing the pollutants from the existing fishing industry. One possibility, a DCA for these small fishing companies to re-tool their plants in order to reduce pollutants.

4. Legal/regulatory environment. Current norms are flawed, environmental protection agencies are weak. One possibility - we (USAID) already have a program addressing some of these policy constraints. We can place a priority on the ones that are of greatest concern and most relevant.

5. Participation of Civil Society. The Treasury team felt that part of the reason for the flaws was an inadequate participation of civil society. One possibility - we already have a working relationship with some of the most important environmental NGOs in the country - such as SPDA and ProNaturaleza. We could further take advantage of these.

Bottom Line and Next Steps.

The Treasury team will prepare a report with more details surrounding the ideas expressed above. The consensus view of the Embassy and USAID/Mission was reiterated: we're supportive of the Camisea project. The project is critical for the economic development of the country and shows the confidence that foreign investors have in the country. While we realize that there are concerns regarding environmental mitigation, the GOP is committed to do all it can. USAID, within the bounds of resource constraints, is prepared to be supportive. USAID will begin to look into each of these ideas, discuss them with GOP and NGO counterparts and start looking at feasible activities. Support from Washington may be needed, especially funding for GDA or DCA activities.