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INDICE

	Page
EXECUTIVE SUMMARY	1
CHAPTER 1: INTRODUCTION	8
Program Overview	8
Program Context	8
CHAPTER 2: USAID STATISTICS	13
CHAPTER 3: ECONOMIC DEVELOPMENT	14
Agricultural Production	14
New Hectares	14
Increased Crop Productivity	15
Animal Program Activities	17
Agricultural Extension	21
Value Chains	22
Increased Management Capacity of Producer Organizations	22
Promotion	23
Private Investment Promotion	24
Credit and Financial Services	25
Financial Institutions Offering Credit	26
Financial Products	26
Organizations Accessing Credit	27
Improved Management of Producer Organization Credit Departments	28
PDA Families Accessing Credit	28
CHAPTER 4: SOCIAL DEVELOPMENT	31
Reorganization	31
Overall Impact	31
Integrating Communities and Governments	32
Participatory Budgets (PB) and Community Development Plans (CDPs)	32
Training of Government and Community Representatives	33
Community Development	33
Governance	36
Alliances between PDA and Regional Governments	38
Gender	39
Consciousness-Raising and Sensitivity Training	40
Increased Economic Activities for Women	41
Women in Agricultural Technical Assistance	41

Women's Networks	42
Infraestructure	43
Counterpart Contributions	44
CHAPTER 5: COMMUNICATIONS	45
Behavior Change in Communities	45
Local and Regional Governments Support Licit Development	47
Changing Opinions at the Regional and National Levels	48
CHAPTER 6: MONITORING AND EVALUATION	50
Data Collection	50
Verification of field activities	50
Development of Data Base Modules	51
Surveys/Studies/Baselines	51
Annex 1: The current results framework used by the Program	53
Annex 2: Organizations assisted by the Program	61
Annex 3: Membership of organizations assisted by the Program.	62
Annex 4: Dissemination of the PDA financial product, by community.	63

EXECUTIVE SUMMARY

Chemonics International, Inc. is pleased to present the annual report for October 2008 – September, 2009 as stipulated in the contract 527-C-07-00002, awarded September 12, 2007. The report summarizes progress achieved during the second year of the Program as well as advances in the recent July – September quarter.

PROGRAM CONTEXT

Social unrest and insecurity during the year continued to affect negatively the Program's work, especially in the Aguaytia and Tingo Maria regions. Field operations were suspended during 35 days and Program assistance to 26 communities was suspended, resulting in the loss of about 1200 ha and 600 families. Activities were also suspended in the valleys of Yanajanca and La Morada. During August, United Nations personnel and the provincial mayor, David Bazan, were attacked by pro-coca demonstrators in the community of Santa Rosa de Mishollo. During the same month, conflicts broke out in Barranquita (San Martin) due to an attempt by the company, Shanusi S.A., (part of Grupo Romero) to establish a 3000 hectare oil palm project there.

Economically, intense rains during the second quarter affected negatively communication routes and the transport of Program personnel, grantees, and products. Numerous agricultural plots and fish ponds along the banks of the Huallaga, Huallabamba, and Mayo Rivers and their tributaries were also lost due to flooding.

The international economic crisis resulted in decreased prices for coffee and cacao, the Program's principal crops, during the first half of 2009, but prices of both commodities increased in the latter part of the year. Palmito production in the Pongo de Caynarachi area was cut back due to the suspension of operations of the Alianza S.A. processing plant as a result of cash flow problems caused by uncollected debts. Oil palm production was affected by government backtracking of policies favoring biofuels; the fall in petroleum prices also made biofuels a less attractive investment, at least in the short term. Encouraging developments occurred with regards to banana and plantain production in Aguaytia where a multi-institutional technical committee has been formed to promote production and commercial activities and the regional government of Ucayali plans to assist with the establishment of 1,500 hectares in the Aguaytia valley.

Internally, a number of adjustments in upper-level management and Program strategies were instituted during the past year that are aimed at consolidating economic development and its community, institutional, political, and social underpinnings. Many of these adjustments were targeted towards enhancing the bases of development by facilitating greater self-reliance and capacity among Program participants through social capital formation and strengthening, greater public investment, and increasing synergies between social and economic activities, especially in the context of producer organizations and cooperatives.

TECHNICAL PROGRESS

USAID Statistics

During the year, the Program assisted 27,351 hectares, 20,173 families, created an estimated 9,862 jobs, produced \$37.1M in sales, and helped strengthen 42 local governments. The value of sales is reduced by about 15% compared to 2008, even though volumes of coffee and cacao sold increased by more than 50% in 2009, due to large differences in commodity prices between 2008 and 2009.

Agricultural Production

The total number of hectares established to date in the current phase of the Program is 14,551 hectares (ha), which represents an advance of 60% in relation to the target of 24,000 hectares. Of these, 3,533 ha were registered during the quarter, which brings the area established during the past year to 6,909 ha. The total number of hectares planted during the current phase of the Program is comprised of 11,404 ha of cacao, 1,245 ha of café, 1,124 ha of oil palm and 778 ha of palmito. It is expected that continuing work during the last quarter of 2009 will increase these values to target levels.

In general, coffee and cacao productivity data are incomplete, since harvests are on-going, but are expected to exceed the yields reported for year 1 and approach the yield targets. Current yields for cacao are 663 kg/ha and 15 qq/ha for coffee. Oil palm yields (14 mt/ha) have increased dramatically compared to the past year and are very near the target yields. Palmito yields are not reported due the lack of harvests during the last 6 months. In many areas, fertilization applications will be needed to improve or sustain crop yields in the future.

Value Chain Strengthening

Currently, the Program is providing institutional strengthening support to 23 organizations and 78 producer committees having a total of 12,076 members. Most of these organizations are fragile and require extensive administrative, organizational, and commercial strengthening, especially in the areas of strengthening of the membership base and its relationship with the parent organization and the implementation of professional management teams.

During the quarter, work also began with national second-tier producer organizations. These include APPCACAO, dedicated to cacao, the National Coffee Board (Junta Nacional de Café), and the Peruvian Coffee and Cacao Union (Central Café y Cacao del Peru). Activities are focused on organizational strengthening and the promotion and marketing of products at the national and international levels.

Investment promotion takes the form of strategic alliances established among the Program, producers, and the private sector. The Program's role is to help articulate the businesses with producer organizations whose crops have the necessary volume and quality required by the buyers.

The Program's investment of S/. 960,000 has leveraged another S/. 1.7 million on the part of businesses (S/ 611,000), producer organizations (S/. 811,000), public institutions

(S/. 153,000), and other donors (S/. 127,000). These alliances include eight businesses (80% of the goal), and three others have expressed interest. Of the 8 businesses, five were added during the year, including one (ALORSELVA – cacao) during the most recent quarter. The Program is also working with seven businesses interested in investing or buying products from Program areas, including OLAM and OUTSPAN (coffee); Amazon Trading (cacao), Barry Callebaut (cacao), Machu Picchu Trading (cacao), and PATTFRESH and Tottus supermarkets (plantain and bananas), and is helping PRONATEC explore an expansion into new geographic zones such as Irazola and Curimana.

Credit

To date, eight financial institutions have established offices in the Program's geographic area and are offering credit, thus exceeding the goal of 6 institutions. These include 6 microfinance institutions and 2 second-tier investment banks. Credit is being accessed via a shared technological platform (the PDA Financial Product) with the Banco de la Nación in 75 communities; the Banco de la Nacion has invested almost S/. 20 million in two pilot projects with CMAC Maynas and CMAC Lurin for the shared implementation of a technological platform (automatic tellers, card readers, teller windows) and debit card that will enable these institutions to manage shared credit and debit and credit cards affiliated with VISA through the Banco de la Nacion infrastructure. This financial product has enabled 1,971 producers to open savings accounts valued at S/ 6,202,817 and will enable them to obtain other financial services, such as personal credit, housing credit, etc. in the future.

Credit is presently being channeled to Program farmers by six producer organizations via the purchase order financing mechanism; of these, two were added during the quarter (APROPAL and APAVAM). During the past year, information about credit and the financial instrument developed by the Program has been disseminated to 42 organizations or businesses in the Program's geographic area. Of these, 25 have solicited credit. The Program is also working to strengthen the credit departments of three producer organizations, ACOPAGRO, Oro Verde and COPAIN.

In the 11 months since the credit program began, S/ 13,775,217 in credit for 2,120 families in the Program's geographic area have been approved and S/ 7,070, 217 have been disbursed. Of this total credit, 39% have been received by 827 Program participants (2.82% of the total number of PDA families). During the last quarter, the number of Program credit recipients more than doubled and the average loan amount (\$2100) increased by almost 100%, due to larger amounts of credit required to establish oil palm plantations. Crops most benefitting from credit have been cacao, oil palm, and livestock. Fifteen percent of the credit disbursed has been received by women (322); the majority of the women credit recipients are found in Tarapoto and Tocache. Credit is generally disbursed in the form of working capital and is being used to a) increase established agricultural areas, b) productive infrastructure, and c) increase productive activities.

Social Development

The Program's investment in communities and local governments during the current phase has achieved the following:

- Approximately \$1.9 M invested by the Program leveraged an additional public investment of \$6.3 M, mainly in the form of counterpart funds and labor contributed by regional governments and communities for infrastructure and productive projects;
- The preparation of technical studies and proposal for public infrastructure projects led to the approval of \$1.1M for public works in 7 municipalities by the Fund for the Promotion of Local and Regional Public Investments (FONIPREL); disbursements will begin next quarter;
- 482 Program communities were able to assure the inclusion of \$11.6M for social and productive services in municipal participatory budgets for 2010;
- Working with regional governments and municipalities, the Program was able to stimulate public investment for the establishment of 6,500 new hectares of perennial crops, principally in Ucayali which will contribute to farmer income and sales in the future;
- The Program was able to improve the quality of life for 637 families in 8 communities via potable water and electrification systems, and educational conditions for 723 students in Paraíso and Uchiza.

The Program exceeded the goal (30%) for the percentage of municipal governments that implement, in a co-participatory fashion with local communities, budgets and services aimed at promoting community economic and social development. All of the municipalities assisted by the Program (12 at the provincial level and 32 at the district level), have included funds in their participatory budgets that are earmarked for local economic and social development, thus impacting 482 Program communities (60% of the total found in the Program's geographical area). Each community will receive, on average, more than \$24,000 from the municipal budget. The Program assisted this process via training of community and local government representatives. Sixteen local governments have also prepared Concerted Community Development Plans (PDCs), an increase of two during the quarter (San Antonio de Cumbaza and Sauce, both in San Martin).

Community Development

In order to better target development interventions communities were classified into precarious, intermediate, or consolidated categories based on: the formation and formalization of community groups and development plans, their recognition by municipal governments, the presence of community leaders who apply management tools, community participation in the formulation of PBs and PDCs, and the degree of presence of coca. Implementation of the new strategy for assisting the communities in each development category began in the third quarter. However, the community classification system is still being fine-tuned in order to reduce the degree of subjectivity in its application, and some communities originally included in the system have been replaced by others. Given these considerations and the brief period of implementation, results mentioned below are incipient.

Since the third quarter, there has been a 3% (13 communities) net positive change in development status among the 425 communities analyzed. Sixty-six precarious communities and 10 intermediate communities increased their development status, but this improvement was partially offset by 52 intermediate communities and 11 consolidated communities that fell to lower development levels. As a result, there are now 236 precarious communities, 171 intermediate communities, and 18 consolidated communities. The decline in community development status was primarily due to an increase in the

presence of coca and decreases in the number of capable leaders. Tingo Maria was most affected by the increases in coca, as well as the disruption of community processes by road building. Other zones affected by increases in coca include: Pongo de Caynarachi (San Martín), Campo Verde (Ucayali), and Puerto Inca (Ucayali). During the next two quarters large numbers of precarious communities are expected to graduate to the intermediate level as a result of the formulation of community development plans based on participatory diagnoses. To date, little work has been undertaken with consolidated communities, but that situation should improve in the future.

The Selva Ganadora competition promoting community development was carried out beginning in January and the overall winner, Santa Rosa km 200, was declared in October. Two hundred and fifty-five of the original 269 communities participated in the final judging. Selva Ganadora proved to be important in motivating communities to make positive changes in their lifestyles and in mobilizing community and family resources. An added benefit was an increased involvement of local governments and institutions in local development processes.

Governance

At the beginning of the year, the Program proposed to work with 44 local governments, but 2 of these, San Roque de Cumbaza (Lamas - San Martín) and José Crespo y Castillo (Leoncio Prado - Huánuco) were subsequently suspended due to lack of interest or security concerns.

During the last quarter, there was a 14% (6 governments) net positive change in the development stage of local governments. Ten (30%) of the governments with basic management capacity improved to the intermediate management capacity level, but these positive changes were partially offset by the decline of 2 intermediate governments and 2 high capacity governments to lower levels. These negative changes in the Mariscal Cáceres and Puerto Inca provincial governments and the Daniel Alomía Robles and Curimaná district governments were caused by political problems related to the lack of good relations or democratic processes with their constituents.

At the regional level, the Program has collaborated with the Ucayali and San Martín regional governments on 8 projects, mainly related to technical assistance and the establishment of new hectares of crops promoted by the Program. Work with the Huanuco government is limited by its pro-coca stance.

Gender

The gender program has enabled greater participation of women in Program activities: sampling of 23 communities from Tocache and 12 from Tingo Maria indicates that 39% of 323 members of the boards of directors of 57 organizations are women; 9 women's producer organizations are being formalized and are receiving technical assistance related to production and marketing; women's participation in farmer field school, field days, and technical training events was 26% (297 women participants); and 5 councilwomen networks were formed that resulted in the formulation of 9 municipal ordinances related to the protection of the rights of women.

Infrastructure

Nine infrastructure projects were completed, 7 were transferred, 2 are on-going, and 6 are scheduled to be during year 3. The 15 infrastructure projects that have been completed to date include: bridges (4), school classrooms (4), potable water systems (2), rural electrification systems (2), and local roads (3). These projects benefitted 20 communities and 9,378 Program families. The roads and bridges will help lower transportation costs of products derived from 1,032 hectares currently in production.

Counterpart funding obtained during the year was S/. 2,293,048. During the current phase of the Program, counterpart investment (S/ 3.049 M) represents 103% of the Programs investment (S/ 2.972M) in infrastructure. Program financing of technical studies and the preparation of technical proposals for infrastructure has been especially effective, since this type of investment enabled local governments to access public investment, which exceeded by three times the Program's investment.

Communications

During the past year, the communications component has consolidated a process of integration with the other components of the program and has continued to aggressively pursue actions which have substantial public impact. At the local level, 166 communities that have undertaken communication activities related to the project and more than 450 leaders are being trained as community communication promoters. More emphasis was also placed on working with the communication strategies of regional and local governments. The process initiated in San Martin with 19 municipalities for the formulation and implementation of a communications plan for licit development continued its course; the component is currently working with 8 municipalities. At the national level, baseline information related to perception of Alternative Development was collected in 8 principal cities affected by Program activities; the sixth meeting of the journalist network attended by around 100 journalists and communication experts was held in Pucallpa from May 27- 29 May; and two documentary videos, "The Miracle of San Martin" and "Tocache: Corazón Abierto" were produced and disseminated in regional, national, and international media spaces.

The Communications area also backstopped the Program's other technical components via the following: the production of the "Purito Desarrollo" television program and other jingles, radio and television spots which helped publicize and promote the Selva Ganadora competition in Tingo Maria, Pucallpa and Tarapoto; the production of a series of training manuals for cacao production; and the production of various promotional events including the La Noche del Cacao Peruano, the IV National Quality Coffee Competition, and stands at the APEC summit, Expoalimentaria 2009, the Mistura 2009 gastronomic fair, and the Peruvian Regions Fair 2009.

Monitoring and Evaluation

The principal activities undertaken by the Monitoring and Evaluation Unit during the year included:

1. Collection of data related to the incorporation of new families, communities, and new hectares of plantations in the Program and to crop productivity.

2. Verification of field activities.
3. Modification of the Program's data base modules in order to facilitate the monitoring of indicators of agricultural productivity.
4. Modification of the Results Framework that reflects the reorientation of the Program.
5. The agricultural diagnosis of Pto. Inca.
6. Assisting data collection and processing for Selva Ganadora.

CHAPTER 1: INTRODUCTION

PROGRAM OVERVIEW

Chemonics International, Inc. is pleased to present the annual report for October 2008 – September, 2009 as stipulated in the contract 527-C-07-00002, awarded September 12, 2007. The report summarizes progress achieved during the second year of the Program as well as advances in the recent July – September quarter.

The overall objective of the Peruvian Alternative Development Program (PDA) is to achieve and consolidate positive changes in behavior and attitudes towards the adoption of licit lifestyles among ex-coca growers and civil society. In doing so, it helps advance the following overall objectives of USAID: advancing peace and security by combating narcotics trafficking and its links to terrorist organizations; strengthening democracy and governance; promoting poverty reduction through economic growth; and increasing the government's investment in people.

In order to achieve its overall objective, the Program is using an integrated approach aimed at: increasing the economic base and opportunities for producers and their organizations via the establishment of agricultural economies based on licit crops; strengthening the value chains for those crops, including increasing the accessibility of credit; improving the organizational capacities of communities; and strengthening the abilities of local governments to increase and better manage public investments targeted toward their communities. Cross-cutting components include: increasing social capital among Program participants (producers, cooperatives, associations and local/regional governments); environmental planning and mitigation of agricultural activities; communications; and increasing the participation of women in the value chains, communities, and local governments.

The aforementioned activities are guided by formal contractual goals, which include increasing the number of new hectares of licit crops established, increasing the productivity of crops in production, and increasing farm family income, but there are also a series of more internally directed goals and indicators, agreed upon with USAID, that help monitor the progress of the technical components of the Program (Annex 1).

PROGRAM CONTEXT

Social Unrest

The continued presence throughout the year of Sendero Luminoso and coca-grower groups created social unrest and insecurity that affected negatively the Program's work, especially in the Aguaytia and Tingo Maria regions. The regional offices lost 7 days of work, while field operations were suspended during 35 days (Table 1).

Table 1. Work days lost due to social unrest, October 2008- September 2009.

Region	# of Work Days Lost During the Year	
	Closure of Regional Offices	Field Activities Suspended
Aguaytia	5	16
Tocache	1	9
Tingo Maria	1	12
Total	7	35

In addition, Program assistance to a number of communities was suspended due to threats received by community residents from Sendero Luminoso or due to violations of coca conditionality agreements with the Program. These communities include 24 in the Jose Crespo y Castillo district of Tingo Maria and 2 in the Huicongo district of San Martin, and resulted in the loss of about 1200 ha and 600 families. At the end of November, a Sender Luminoso attack on a police caravan near Tingo Maria that caused 5 deaths also resulted in the decision by USAID to suspend activities in the valleys of Yanajanca and La Morada. Farmer turnover in the Program, due to various reasons, has been significant in Paraíso, Uchiza, Aguaytia, Curimana, Irazola, and Puerto Inca.

In Tingo Maria, coca grower organizations have reorganized in response to forced coca eradication activities by the Ministry of the Interior (CORAH). During August, United Nations personnel and the provincial mayor, David Bazan, were attacked by pro-coca demonstrators in the community of Santa Rosa de Mishollo.

During the same month, conflicts broke out in Barranquita (San Martin) due to an attempt by the company, Shanusi S.A., (part of Grupo Romero) to establish a 3000 hectare oil palm project there.

Economic Conditions

In all of the Program's areas, intense rains during the second quarter affected negatively communication routes and the transport of Program personnel, grantees, and products. Numerous agricultural plots and fish ponds along the banks of the Huallaga, Huallabamba, and Mayo Rivers and their tributaries were also lost due to flooding.

With respect to coffee and cacao, the Program's principal crops, the international economic crisis decreased prices and volumes during the first half of 2009, but prices of both commodities increased in the latter the part of the year. Increases in coffee prices were due to the presence of Colombian buyers seeking to fulfill their contract, while cacao prices were pushed up by production problems in the Ivory Coast and a rebound in orders as the international crisis bottomed out.

Encouraging developments occurred with regards to banana and plantain production in Aguaytia. A multi-institutional technical committee has been formed to promote production and commercial activities and the regional government of Ucayali plans to assist with the establishment of 1,500 hectares in the Aguaytia valley.

Program Strategy and Organization

During the past year, a number of adjustments in upper-level management and Program strategies were instituted that are aimed at consolidating economic development and its community, institutional, political, and social underpinnings. Many of these adjustments were targeted towards enhancing the bases of development by facilitating greater self-reliance and capacity among Program participants through social capital formation and strengthening, greater public investment, and increasing synergies between social and economic activities, especially in the context of producer organizations and cooperatives.

The overall strategy of the Program is aimed at working effectively and efficiently with current resources by:

- Responding to **new economic and social opportunities** in order to increase sales and income;
- **Leveraging** Program resources and knowledge, **mobilizing** resources of its participants, **and partnering** with other institutions in order to work more efficiently and effectively;
- **Tailoring assistance** to Program participants (farmers, organizations, communities, and local governments) based on their needs and abilities;
- **Focusing** attention on critical areas such as producer organizations and markets and the co-participation of communities and governments in community development plans and budgets that impact economic development;
- **Integrating social and economic activities** to increase farmer income, local investment, and community well-being;
- **Forming and using social capital** to increase capacity and self-reliance, reduce transaction costs, and increase cooperation among Program participants; and
- **Employing competitions and financial incentives** to foster the changes desired among Program participants.

Some concrete examples of how these strategies were implemented include:

- The classification of communities, local governments, and producer organizations according to their development stage, followed by the design of stage-dependent strategies for each and the use of participatory scorecards to monitor progress against goals;
- The concerted effort to focus on increasing public investment at the community level via joint participation of communities and local governments in the formulation of participatory budgets (PBs) and concerted development plans (CDPs);
- The holding of financially remunerated open competitions (Selva Ganadora) to motivate participants and mobilize their resources in order to achieve positive change in their communities;
- Incorporation of new commercial crops such as bananas/plantains and flowers;
- The leveraging of limited Program investment to mobilize significant public resources for productive infrastructure;
- The formation of alliances with regional governments, the private sector, and international NGOs to increase perennial crop plantations and improve the agricultural and organizational capacities of farmers and their organizations;

- Collaboration with second or third tier producer or commodity organizations to increase marketing efforts and sale opportunities; and
- Increases in associativity among informal and formal producer groups.

The evolution of Program strategies was accompanied by an internal reorganization of technical areas and the operation of the field offices in order to increase their management and implementation capacities. The Program is now organized into the following areas shown below.

Figure 1. Technical areas of the Program.



In the field, the responsibilities of the 5 regional offices (RO) in Tarapoto, Tocache, Aguaytia, Tingo María and Ucayali, and 13 zonal offices were reorganized to seek improved, avoid duplication, and better manage day-to-day activities related to planning, budgeting, project supervision, information and personnel. Lima is now responsible for contract management and administration; overall Program strategy; collection, summarization, and reporting of technical, financial, and administrative information; external relations; and technical backstopping of local projects. The Lima-based management team also maintains relations with USAID, DEVIDA and other strategic partners and provides support and planning in economic and social development, communications, administration and finances, and regional management coordination to strengthen implementation and solidify strategic alliances.

The zonal offices are the centers of operation for project implementation oriented toward achieving contract goals. They house the majority of the technical staff and are in charge of the formulation, implementation, and supervision of projects with grantees, field data collection, and administration and external relations at the local level.

The regional offices serve as “hinges” within the Program between Lima and the zonal offices, and between regional and local institutions. As facilitators and clearinghouses of information, the chief responsibilities of the regional offices are: concentrate and report administrative, financial, and technical information to Lima; provide technical backstopping and supervision of the zonal offices; and to represent the Program before political and private sector entities at the regional level.

CHAPTER 2: USAID STATISTICS

As mentioned in the Introduction, USAID has a series of institutional objectives: advancing peace and security by combating narcotics trafficking and its links to terrorist organizations; strengthening democracy and governance; promoting poverty reduction through economic growth; and increasing the government's investment in people. During the last quarter, via the third contract amendment, USAID requested that progress related to indicators of these objectives be mentioned in the annual report, although they are not a formal part of the contract. Their status of these indicators at the end of the second year (September 30, 2009) is presented below (Table 2).

Table 2. Status of various USAID statistics at the end of the second year.

Indicator	Current Status	Comments
Hectares assisted	27,351	Hectares established or receiving technical assistance
Families benefitted	20,173	Through agricultural technical assistance or inputs
Jobs (FTE) created	9,862	Calculated based on # hectares
Sales of farm products: a) at farm-gate by PDA farmers b) by exports of producer associations supported by PDA c) internal sales of producer organizations supported by PDA (estimated)	a) \$10.4 M b) \$22.7 M c) \$4M Total \$37.1M	a) Calculated as a function of average price, productivity, and # hectares in production per crop b) Export value reported by Peruvian customs for coffee, cacao, and palmito from PDA producer associations c) Estimated based on incomplete data
Municipal governments strengthened	42	Although there are 44 municipal governments in the PDA geographic area, assistance is being provided to 42.

With regards to sales, it should be noted that additional sales in 2009 compared to 2008 cannot be reported, since sales data were not collected during 2008. Estimates of export sales by producer organizations, based on customs reports, indicate that sales decreased by about 15% in 2009 compared to 2008 (\$26.9 M in 2008 vs. \$22.7 M in 2009) despite large (50-100%) increases in the volumes of the principal crops exported, coffee and cacao. This decrease in valor is due to price spikes for these commodities during 2008 and depressed prices during three quarters of 2009 caused by the international economic crisis.

It should also be noted that internal (Peruvian) sales of producer associations supported by the Program are still in the process of being collected from the associations. The figure cited, \$4M, should be treated as a rough estimate.

With regards to municipal governments strengthened, although there are 44 municipal governments in the PDA geographic area, assistance is being provided to 42, since assistance to two governments has been suspended due to lack of interest on their part or security concerns (see section on Governance).

CHAPTER 3: ECONOMIC DEVELOPMENT

The Economic Development area provides support to the entire value chain, from the grower to the buyer. This includes:

- 1) Farm-level assistance (agricultural extension and inputs) to establish 24,000 new hectares of perennial crops, as well as to increase crop productivity and income generated from plantations in production;
- 2) integrated administrative, organizational, and commercial strengthening of producer organizations;
- 3) promotion of Program products in national and international markets;
- 4) the building of strategic partnerships to increase private investment in Program areas; and
- 5) increasing the access to financial services for both producer organizations and Program participants.

Operationally, this support is provided by the following programmatic components within the Economic Development area: Agricultural Production (point 1 above), Value Chain Strengthening (points 2 - 4), and Financial Services (point 5). Each component works in synergy with the others, as well as with the Social Development area, to achieve an integrated approach to economic development. The ultimate objective is to increase the volume and sales of crops produced, and therefore income for Program participants, thereby promoting the long-term sustainability of the value chains.

AGRICULTURAL PRODUCTION

As the basic building block of economic development, agricultural production focuses mainly on providing technical assistance and inputs targeted at establishing new hectares of perennial crops and improving crop productivity and quality in order to generate more income for farmers.

New Hectares

The total number of hectares established to date in the current phase of the Program is 14,551 hectares (ha), which represents an advance of 60% in relation to the target (Table 3). Of these, 3,533 ha were registered during the quarter, which brings the area established during the past year to 6,909 ha. The total number of hectares planted during the current phase of the Program is comprised of 11,404 ha of cacao, 1,245 ha of café, 1,124 ha of oil palm and 778 ha of palmito (Table 3).

Table 3. New hectares of perennial crops registered, 2007-2009.

Result 1.0: New Hectares Registered			
Goal: 24,000 ha	Progress During Quarter: 3,533 ha	Progress During the Year: 6,909 ha	Current Status: 14,551 ha

Table 4. Establishment of new hectares by crop and region, 2007-2009.

Region	# Communities	# Families	Total Ha	Cacao (Ha)	Coffee (Ha)	Oil Palm (Ha)	Palmito (Ha)
Aguaytia	49	444	766	214	183	368	0
San Martín	328	5856	6451	5450	223	0	778
Tingo María	65	412	449	294	155	0	0
Tocache	115	2807	5022	4338	684	0	0
Ucayali	138	1159	1864	1108	0	756	0
Total	695	10,2671	14,551	11,404	1,245	1,124	778

Source: PDA M&E Information System

In order to achieve the goal of 24,000 new hectares, approximately 9,500 additional hectares will have to be established during the coming year. Monitoring of the establishment of nurseries and temporary shade in the fields to be planted (both are necessary steps preceding plantation establishment) indicates that there are more than 9 million seedlings, equivalent to 8,200 ha, currently in the nurseries, and that temporary shade has been established in more than 70% of the fields. It is expected that continuing work during the last quarter of 2009 will increase these values to target levels. Additional effort are especially needed in the Irazola, Campo Verde, and Puerto Inca zones of Ucayali where the establishment of temporary shade and nurseries has been delayed due to incomplete compliance with commitments on the part of local governments and low availability of perennial crop and temporary shade seed. These delays potentially threaten the establishment of approximately 1,500 ha. Corrective measures to overcome these delays include the use of motivational communication campaigns and incentives, the mass distribution of pigeon pea seed as a source of temporary shade, the purchase of perennial crop seed, and pressure applied to local government to ensure their compliance with prior commitments.

Increased Crop Productivity

A summary of the targets and results to date for crop productivity are shown below (Table 5). In general, coffee and cacao yield data are incomplete since harvests are on-going, but are expected to exceed the yields reported for year 1 and approach the yield targets. Oil palm yields have increased dramatically compared to the past year and are very near the target yields. Palmito yields are not reported due the lack of harvests during the last 6 months.

Table 5. Increases in crop productivity.

Indicator 1.1: Increase in Crop Productivity		
Target	Baseline	Current Status
Cacao: 800 kg/ha as of the 3rd harvest	561 kg/ ha	82 % of the hectares in production have been harvested. Average yields are 663 kg/ha.
Coffee: 17 quintals/ha as of the 3rd harvest	13 quintals/ ha	52% of the hectares in production have been harvested. Average yields are 15.0 quintals/ha.
Oil palm: 15 mt/ ha as of the 5th harvest	5.4 mt/ ha	100% of the hectares in production have been harvested. Average yields are 14.0 mt/ha.
Palmito: 4000 stems/ ha as of the 6 th harvest year	3200 stems/ ha	Harvests were reinitiated at the end of this quarter.

Source: PDA M&E Information System

Cacao

Average cacao yields, based on incomplete data from plantations at the third harvest or older, are estimated to be 663 kg/ha, but are based on incomplete data (Table 5). These yields are above both the baseline yields and those from 2008, but below the target yields. Yields from Tocache and Polvora exceed 1000 kg/ha; those from Juanjui, Bellavista, Tingo Maria, and Uchiza are near the average; while yields from Tarapoto, Irazola-Curimana, Aguaytia, and Nuevo Progreso are between 500-550 kg/ha. Low yields are associated with the lack of fertilization and lower amounts of rainfall, especially in northern Tarapoto (Tarapoto, Juanjui, and Bellavista) and Ucayali; high yields in Tocache and Polvora are associated with a program of soil fertilization begun there in 2008.

Coffee

Average coffee yields are 15 qq/ha, but are based on incomplete data, since harvests are ongoing. These yields are midway between the baseline and target goals (Table 5). Yields are greatest in the Tarapoto zone where they exceed 17 qq/ha; are 13-15 qq/ha in Tocache, Aguaytia, and Tingo Maria; and are at levels comparable to those at the national level (10 qq/ha) in Polvora and Uchiza. Low yields are associated with low fertilizer use and older plantations.

Oil Palm

Oil palm yields are 14 mt/ha, slightly below the target yields of 15 mt/ha (Table 5). Yields have increased by about 50% compared to the previous year as some plantations have begun to enter into full production. Yields during the quarter were greatest in the Campo Verde and Curimana-Irazola areas and are associated with a soil fertilization program there. Yields were lowest in Aguaytia, due to inadequate plantation management during the phase of vegetative growth (first 3 years). In order to overcome the deficiencies observed in Aguaytia, farmers there will visit their counterparts in Campo Verde and Curimana to learn about improved management practices; a soil fertilization program has also been initiated.

Palmito

Palmito has not been harvested during the last 6 months as a result of the stoppage of the Alianza processing plant due to a lack of working capital resulting from uncollected debts with their previous buyer. Methods for increasing palmito productivity are being disseminated to farmers via the use of high-planting-density demonstration plots, and in some cases farmers have obtained credit dedicated in part to fertilizer use.

Fertilizer Use

A common factor associated with low yields of the principal crops is the low level of fertilizer use by farmers. The lack of fertilizer use threatens the long-term productivity of these crops, since the total amount of plant nutrients required to produce 1000 kg/ha of dried cacao beans is: 466 kg/ha N, 121 kg of P, and 273 kg/ha of K, of which 44 kg/ha of N, 10 kg/ha of P, and 77 kg/ha of K are actually exported in the form of dried beans. The latter quantities are a minimum estimate of the quantity of nutrients that are needed to be replaced on an annual basis in order to maintain soil stocks, but actual quantities needed may be slightly greater if nutrient accumulation in plant biomass added during the year is taken into account. These figures also imply the need for pruning and recycling of

unproductive plant tissue such as branches, suckers, and harvested pods, since they store large quantities of nutrients that should be put back into recirculation.

A similar analysis for coffee indicates that nutrient requirements for the production of 17 qq/ha of dried beans is: 112 kg/ha of N, 16 kg/ha of P, and 120 kg/ha of K, of which, 30 kg/ha of N, 3 kg/ha of P, and 35 kg/ha of K are exported in the beans. The latter quantities can be interpreted as a minimum fertilizer requirement.

Initial results of a fertilizer program for cacao, begun in 2008 in Tocache, indicate that investments in fertilizers can be profitable. Applications of 220 kg/ha of island guano (equivalent to 20 kg of N), 100 kg/ha of rock phosphate (equivalent to 32 kg of P), 20 kg/ha of sulfomag (Mg), 3 kg/ha of granubor (Bo), and 1 kg/ha each of copper sulfate (Cu), zinc sulfate (Zn), and manganese sulfate (Mn) resulted in yield increases of about 50% (500 kg/ha). Recommended annual applications of 2200 kg of compost, bokashi or gaikashi, 660 kg/ha of guano, 240 kg/ha of potassium sulfate, 110 kg/ha of magnocal, 22 kg/ha of ulexite, and 2.5 kg each of copper sulfate, zinc sulfate, and natural manganese would cost approximately \$565/ha; the minimum increase in yields needed to pay back this investment are approx. 370 kg/ha, which, based on the experience from Tocache, appears to be very feasible. It should be mentioned that the fertilizers mentioned above are accepted by organic certification systems.

At present, extension teams are formulating fertilizer recommendations in line with the resources of the three categories of farmers involved in the Program (basic, intermediate, and advanced). With basic farmers, the Program is emphasizing the preparation of bokashi/gaikashi (organic fertilizers prepared using domestic and on-farm nutrient sources), compost, and the use of nitrogen-fixing plants as cover crops or shade providers. These same fertilizers can be complemented with purchased inputs if farmers have more capital or access to credit; more industrialized organic fertilizer processing methods are also a possibility with these more advanced groups. The Divisoria cooperative is actively disseminating the technology for the production of bokashi and gaikashi for coffee via three projects financed by the Program. During the next quarter, improved recommendations and training in the preparation of organic fertilizers and analysis of credit needs will be undertaken.

Animal Program Activities

During the past year, livestock activities changed their focus on the delivery of animals to farmers to mainly providing technical assistance and some specialized services, such as artificial insemination, directed towards increasing productivity.

Cattle

As a result of 3 years previous work with cattle, there is a net increase of 13% (247 animals) in cattle populations (Table 6). The production of 677 offspring has more than offset the 434 animals that have been sold or consumed, or otherwise contributing to household economies. In most zones, cattle populations have remained relatively constant; the exceptions are Tocache and Aguaytia where populations have increased by 20% (167 animals) and 76% (94 animals), respectively, and Tarapoto where populations have decreased by 23% (9 animals).

Some indirect impacts of the cattle program include the earmarking of an investment of S/ 50,000 for cattle activities in the 2010 participatory budget of the Huimbayoc municipality (Pongo de Caynarachi), and the organization of a communal enterprise in Tarapoto, dedicated to the processing and commercialization of dairy products.

Table 6: Current status of cattle population in PDA zones.

Description	Pongo de Caynarachi	Tarapoto	Juanjui	Tocache	Aguaytia	Puerto Inca	TOTAL
# cattle delivered by PDA	583	38	50	829	123	137	1760
# sold, consumed or dead	58	9	6	310	15	36	434
Sub-total	525	29	44	519	108	101	1326
# Offspring	53	0	6	477	109	32	677
Actual Population	578	29	50	996	217	133	2003

The program of assisted reproduction has identified 1,519 candidate cattle that will be artificially inseminated with Gyr, Brown Swiss, and Holstein stock. During the quarter, artificial insemination began in earnest and the results will be observed in 2 or 3 months, the time needed in order to detect pregnancy by physical examination. To date, 30% of the inseminations have resulted in pregnancy (Table 7), but this is expected to increase since in many cases it is too early to detect if cows are pregnant. In order to increase the sustainability of the insemination program, 12 community inseminators from Paraiso have been trained in insemination techniques via a joint program with the Universidad Nacional de la Selva. In isolated communities, direct insemination using improved bulls is used instead of artificial insemination. In Tocache, 7 bulls (3 Brown Swiss, 2 Gyr and 2 Brahman) are being used for this purpose.

Table 7: Current status of the results of artificial insemination of cattle in PDA zones.

Description	Pongo de Caynarachi	Tarapoto	Juanjui	Uchiza	Tocache	Paraíso	Aguaytia	Campo Verde	Puerto Inca	Total
# cattle inseminated	78	19	34	113	111	32	19	157	145	708
# cattle pregnant**	62	9	13	50	44	0	0	20	17	215
# participating familias	394	35	110	60	510	47	60	160	110	1486

** Based on rectal exam.

Other management practices being disseminated include: the improvement of corrals, preparation of salt and vitamin blocks, and pasture establishment and management. There have also been 3 visits by livestock producers from Tocache, Paraíso, and Tarapoto to Moyobamba in order to become acquainted with improved livestock management systems there.

Fish Farms

The Program is presently working through ASPROT in the Tocache area in order to train fish farmers in the preparation of balanced feed based on local inputs; 4 demonstration plots of mucuna, a leguminous plant with potential as a local protein source, are being used for this purpose.

In relation to the impact of the project, 87 families are supplementing their diets with high quality fish protein and another 48 families have increased their income via the sale of fish in local markets. Participants have also invested their own resources to restock their ponds with 40,000 fry (Table 8). The Ministry of Production, through the PRODUCE program, has also evaluated 50 ponds. As a result, 14 have been formalized and registered, which allows their owners to apply for formal credit, and recommendations have been given for improving the remaining 36 ponds so that they can also be formalized.

Table 8: Current status of fish farms supported by the Program.

Variable	#	Note
Operative ponds	125	118 in production, 7 being restocked
Water surface areas	7.5 ha	300 m2/pond.
Quantity of fish stocked	83,000	43,000 contributed by PDA 40,000 counterpart contribution
Participating familias	135	87 at the basic level, 48 at the intermediate level
Participating communities	42	6 communities that abandoned the Project were replaced

Small Animals

The raising of small animals is mainly dedicated to improving food security and generating small amounts of household income and is mainly carried out by women. At present, the Program is mainly involved in providing technical assistance to these families.

Swine

Overall swine populations have decreased by 11% (64 animals) since the inception of the Program. Although 296 offspring have been produced, the number of animals sold, consumed, or that have died totals 360 and represents an important addition to the diets or income of the 264 participating families (an average of 1.4 animals/family) (Table 9). Animal populations have greatly increased in Pongo de Caynarachi, Jaunjui, and Cruimana, but have decreased in Tocache and Puerto Inca. Technical assistance to families has concentrated on improving corrals and feeding practices as well as the preparation of balanced feed based on local inputs.

Table 9: Current status of swine populations supported by PDA zonal offices.

Variable	Pongo de Caynarachi	Tarapoto	Juanjui	Tocache	Curimana	Puerto Inca	TOTAL
Animals delivered	82	38	14	364	16	66	580
Animales sold, consumed, or dead	2	16	9	268	5	60	360
Sub-total	80	22	5	96	11	6	220
Offspring	41	17	24	144	40	30	296
Total	121	39	29	240	51	36	516
# participating families	150	11	5	80	14	4	264

Chicken Production

Overall, chicken populations have been reduced by over 50% (8,492 birds), mainly due to reductions in the number of fowl in Tocache (7,369 birds), Aguaytia (965 birds), and Tarapoto (935 birds), whereas populations in Pongo and Juanjui have increased by 579 birds and 198 birds, respectively (Table 10). The number of offspring (4,170) produced has been greatly outpaced by the number of birds that have died, been sold, or consumed (12,662). The latter would appear to make an important contribution to the household diet or income, since they represent an average of 23 birds/family. Many of the birds consumed or sold were improved breeds with short life cycles dedicated to egg production. Criollo breeds which were introduced later in the Program have proven to be more adaptable, are multi-purpose (eggs + reproduction), and live longer.

Program technical assistance has been mainly dedicated to improving corrals, nests for egg laying, and feed troughs. An impact of the program is the inter-institutional agreement with the municipality of San Antonio de Cumbaza to finance production modules for 23 PDA families to which the Program will contribute technical assistance.

Table 10: Current status of fowl populations supported by the Program zonal offices.

Variable	Pongo de Caynarachi	Tarapoto	Juanjui	Tocache	Aguaytia	TOTAL
Birds delivered	2,754	2,464	787	9,250	1,155	16,410
Birds sold, consumed, or dead	886	1,465	547	8,784	980	12,662
Sub-total	1,868	999	240	466	175	3,748
Offspring	1,465	530	745	1,415	15	4,170
Total	3,333	1,529	985	1,881	190	7,918
# participating families	260	85	58	118	17	538

Guinea pigs

The guinea pig project has been implemented only in Tocache. Guinea pig numbers are very dynamic due to their high rates of reproduction. Large number of guinea pigs originally delivered have been sold, consumed or have died (an average of 165 animals/family), but relatively large number of offspring have also been produced (Table 11). Although only 876 animals are currently registered, compared to the 3,537 originally delivered, they appear sufficient to sustain populations and guarantee income or food for their owners. The Program is working with these families in the development of protein sources based on mucuna.

Table 11: Current status of guinea pig populations in Tocache.

Description	Number
Guinea pigs delivered	3,537
Animals sold, consumed, or dead	3,167
Sub-total (1)	370
Offspring	7,434
Offspring sold, consumed, or dead	6,928
Offspring sub-total (2)	506
Total (Sum (1) + (2))	876
Participating families	61

Agricultural extension

Extension activities undertaken during the quarter and for the year are shown in Table 12 below. The data indicate a high level of extension activity during the last quarter, especially in the case of farmer field schools and group training workshops which were fully implemented during the quarter. Although many field schools came to an official end during the quarter, some themes will be reinforced in the future. It should be noted that the turnover of participants from a family in the field schools is relatively high (approx. 30%), especially among basic level farmers, and is motivated by the need to hire out their labor. These participants are usually replaced by other family members.

Table 12. Number of events and participants in extension activities during the quarter and over the last year.

Activity	Quarterly totals		Annual totals	
	# events	# participants	# events	# participants
Farmer field schools	388	8,868	388	8,868
Group training workshops	1,233	13,163	1,233	13,163
Field days	120	3,354	514	11,914
Field tours	36	1,036	46	1,239
Radio programs	15	4,881	23	7,598
Farm visits*	30,915	23,102	86,282	30,140
Group competitions	22	523	26	701
Demonstration plots	103	2,641	199	5,229
Demonstration fields	353	4,836	353	10,215
TOTAL	33,185	62,404	89,064	89,067

* The number of events exceeding the number of participants is a result of multiple visits to the same farm.

Other training techniques that have been successful, especially among basic level farmers, are field days and field tours, since they emphasize learning by doing; practical, simple, and cost-effective techniques; and are thus well-adapted to farmers with low levels of literacy and resources. They also provide an opportunity for farmers to discuss local innovations with extensionists. Thirty-seven Program communities visited cacao and coffee farms in Villa Rica, Juanjuí, Saposoa, Huallaga, and Lamas.

The Program has begun to use mass extension techniques such as radio programs, flyers, and signs in order to inform and motivate farmers. In the case of radio programs, in Paraiso an estimated 500 families tunes in to the “Field Hour” radio program. In areas with electricity, local television shows also represent a potential medium for agricultural communication.

This year also saw the initiation of group competitions whereby participants demonstrate their skills in grafting, pruning, and fertilization and share their knowledge with others. These events have produced high levels of motivation among participants.

Finally, all participating families received on-farm visits during the year. Since on-farm visits are a relatively costly extension technique, a number of future directions are under consideration in order to reduce the cost of the extension system and increase its sustainability. These include:

- The use of farmer field schools mainly to train farmer promoters who would serve as the principal extension service provider for basic level farmers;
- The increased use of field days and competitions among farmer groups, accompanied by coaching from extensionists;
- The increased use of remunerated competitions to provide incentives and motivation for technology adoption;
- A greater emphasis on using the above techniques in a logical sequence (e.g. promoter contact, field days, and competitions) in order to more effectively communicate and reinforce technical messages and provide incentives for their adoption and use;
- Greater emphasis on the use of certain technologies such as organic fertilizer preparation and use and coffee pruning;
- Systems for capturing farmer-led or external innovations; and
- Movement toward a greater response to farmer demand and the establishment of markets for technical assistance.

VALUE CHAINS

The Value Chain component seeks to increase income of farmers and their organizations by strengthening their capacities and linkages with commercial actors along the value chains, and increasing commercial opportunities, thus providing a market-driven base for sustainable development in Program areas. To this end, Value Chain activities are divided into several areas: 1) strengthening producer organizations; 2) market expansion via commercial promotion of Program products and actors; 3) attraction of private investment through alliance building, and 4) increasing the accessibility of financial services to farmers, producer organizations, and local businesses.

Increased Management Capacity of Producer Organizations

Currently, the Program is providing institutional strengthening support to 23 organizations and 78 producer committees having a total of 12,076 members (Annexes 2 and 3). The producer organizations include 2 new organizations that were added during this quarter, which brings the yearly total of new organizations added to 15 (Table 13). The new groups are both from San Martin and include the Comité de Productores Agropecuarios de Montevideo, active in the production and commercialization of panela (unrefined brown sugar), and the Cooperativa Agraria El Gran SAPOSOA, which produces cacao. Work with these groups includes their legal formalization and the development of business tools such as business and strategic plans. Of the 23 organizations receiving Program support to date, 9 work with cacao, 3 with coffee and cacao, 3 with oil palm, 2 with rice, 1 with coffee, 1 with cattle, 1 with plantain/bananas, 1 with palmito, 1 with flowers, and 1 with clothes manufacturing.

Table 13. Producer organizations strengthened.

Result 1.2: 15 Strengthened Producer Organizations			
Goal: 15 organizations	Progress During the Year: 15 organizations added	Progress During the Quarter: 2 new organizations incorporated into the strengthening program	Progress to Date: 23 organizations receiving support; 6 in San Martin, 9 in Tocache, 4 in Tingo Maria, 2 in Aguaytia, and 2 in Ucayali.

Promotion

Besides grassroots level producer organizations, during the quarter work began with national second-tier producer organizations. These include APPCACAO, dedicated to cacao, the National Coffee Board (Junta Nacional de Café), and the Peruvian Coffee and Cacao Union (Central Café y Cacao del Peru). The project with APPCACAO is focused on strengthening the services provided to its members, promotion of Peruvian cacao at the national and international levels, and marketing of cacao at international events such as the Chocolate Salon in France and the Biofach fair in Germany. Work with the Coffee Board includes administrative technical support to their member organizations, positioning of Peruvian coffee via a national coffee competition and the SCAA international coffee fair. Finally, work with the Coffee and Cacao Union is directed towards the development of a Q quality certification system and the formation and Q Grader certification of 16 new coffee cuppers.

The promotional events involving the second tier organizations, mentioned above, were complemented by various national or international events. The Program collaborated with VSF-CICDA and the Ministry of Agriculture to sponsor the Peruvian Cacao Night which promoted cacao at the national level. Participants included the Peruvian Gastronomy Association, the Max Havellar Association from France (a promoter of Fair Trade in France), 2 internationally recognized chefs from France, and local chefs Pedro Miguel Schiaffino and Astrid Gutche.

The Program also assisted associated organizations to market their products during the Expoalimentaria Fair, an international event organized by the Association of Exporters of Peru. The following businesses exhibited their products in the Program stand:

Table 14. Program-associated producer groups that participated in the Expoalimentaria fair.

Product	Producer Group
Cacao grano	Cooperativa ACOPAGRO, Cooperativa Naranjillo, Cooperativa Tocache,
Cacao in powder, butter, and liquor	Cooperativa Naranjillo
Chocolate	Cooperativa Naranjillo – Agroindustrias Mayo
Granulated unrefined brown sugar	ACOPAGRO
Plantains	COPPU
Heart-of-palm	ALIANZA S.A.
Tropical flowers	AGROFLORA
Coffee	Cooperativa La Divisoria, Cooperativa Oro Verde

As a result of the Fair, commercial contacts were made with importers from the USA, Europe, Chile, and Argentina. In the case of COPPU, Alianza, Agroindustrias Mayo, and AGROFLORA, this was their first experience with participating in trade fairs, and they were able to establish commercial contacts with national buyers as well as international importers such as Century Farms of Miami and Roche Fontaine of France.

Private Investment Promotion

Investment promotion takes the form of strategic alliances established among the Program, producers, and the private sector. The Program's investment of S/. 960,000 has leveraged another S/. 1.7 million on the part of businesses (S/ 611,000), producer organizations (S/. 811,000), public institutions (S/. 153,000), and other donors (S/. 127,000). The Program's role is to help articulate the businesses with producer organizations whose crops have the necessary volume and quality required by the buyers.

At present, eight businesses have invested in Program areas, thus achieving 80% of the goal, and three others have expressed interest (Table 15). Of the 8 businesses, five were added during the year, including one (ALORSELVA – cacao) during the most recent quarter. Investments by these national or international businesses are focused on production, commercialization, increasing product quality, and providing administrative support to producer associations in Program areas.

The Program is also working with seven businesses interested in investing or buying products from Program areas, including OLAM and OUTSPAN (coffee); Amazon Trading (cacao), Barry Callebaut (cacao), Machu Picchu Trading (cacao), and PATTFRESH and Tottus supermarkets (plantain and bananas), and is helping PRONATEC explore an expansion into new geographic zones such as Irazola and Curimana.

Table 15. Formal private businesses investing in Program areas.

Result 1.3: 10 formal private businesses invest in Program areas.			
Goal: 10 businesses	Progress During the Year: 5 new businesses added	Progress During the Quarter: 1 new business (ALORSELVA)	Progress to Date: 8 businesses (PRONATEC–cacao, Romero Trading–cacao, ALORSELVA – cacao, Amazon Ivory–vegetable ivory, Sustainable Harvest–coffee, T Cho–cacao, Lacteos San Martin–milk products, BIOANDES – alcohol)

Three of these alliances have been formalized via signed public-private partnership agreements. Currently, the Program has three active public/private partnerships (PPP) with a total investment of S/ 1.9 million, two of which (TCho for cacao and Sustainable Harvest for coffee) were added during the past year; four others accounting for investments of S/. 728,338 concluded in June (Table 16). On-going conversations are also being held with OLAM to link them with local coffee growers and associations, and contacts have been initiated with PRONATEC, Romero Trading, Machu Picchu Trading, and Barry Callebaut.

Table 16 . Public-private partnerships implemented.

Result 1.6: Four sustainable public-private partnerships signed and implemented.			
Goal: 4 partnerships	Progress During the Year: 2 partnerships added	Progress During the Quarter: 0 partnerships formalized	Progress to Date: 6 partnerships formalized; 3 are currently active (PRONATEC-cacao, Sustainable Harvest-coffee, T Cho-cacao)

In Table 17 below, we provide more detail on the PPPs currently active. The Table shows that in these active partnerships more than \$1.50 has been leveraged for every dollar invested by USAID.

Investment promotion via public-private partnerships has proven to be an effective tool for consolidating producer groups and value chains, since they assure demand for the product and often provide opportunities for better prices associated with better quality or niche markets.

Table 17. Investment (\$/) details of currently active public-private partnerships.

Project	Total	USAID-PDA	Intl. Coopn.	Private Business	Producer Orgs.	State Govts.
Strengthening of cacao producer organizations	859,955	333,933	160,202 (AVSF-CICDA)	150,080 (PRONATEC)	215,740 OroVerde, CAT, LA Divisoria, CACVRA consortium	
Coffee value chain strengthening	827,313	336,531		150,100 (Sustainable Harvest)	328,508 La Divisoria, Oro Verde	12,174
Production & commercialization of fine aromatic cacao	234,267	80,000		68,037 (T'Cho)	62,150	24,080
TOTAL	1,921,535	750,464	160,202	368,217	606,398	36,254

CREDIT AND FINANCIAL SERVICES

In the area of credit and financial services, the Program continues to facilitate: 1) the establishment of a local finance and credit system in Program areas of San Martín, Huanuco and Ucayali, 2) the supply of appropriate and profitable financial products for the productive sector, 3) the use of credit by producer organizations, and 4) improvement of credit departments of producer organizations. By the end of the Program, we expect to have a variety of viable financial services providing credit to farmers in Program areas where there is currently no traditional banking structure and very few microfinance entities that assume the risk of operating there.

Financial Institutions Offering Credit

The Program is working with financial institutions to establish services in the Program's geographic area and that are appropriate for farmers there. To date, 8 financial institutions have established offices in the Program's geographic regions and are offering credit, thus exceeding the goal of 6 institutions. These include 6 microfinance institutions (Caja Lurin, Caja Maynas, PROEMPRESA, the San Martín de Porres, Tocache and San Francisco Savings and Loan Cooperatives) (Table 18) and 2 second-tier investment banks, the Banco de la Nación and COFIDE.

Table 18. Financial institutions offering credit in Program areas.

Result 1.4a: Six financial institutions offer credit in Program areas.		
Goal: 6 institutions offer credit	Progress during the quarter: 0 new financial institutions offering credit	Progress to date: 8 financial institutions offer credit

Credit is being accessed via a shared technological platform (the PDA Financial Product) with the Banco de la Nación in 75 communities (Annex 4). These include:

- In the department of San Martín, Chambira, Balsayacu, Sacanche in the zone of Mariscal Cáceres; Picota, Piscoyacu, and Ledoy in the Bellavista zone; Alto Andino, Chazuta, and Alto Shambuyacu in the Tarapoto zone; Cuñumbuque and Bonilla in the Pongo del Cainarachi zone; and Nueva Bambamarca, Nuevo Horizonte, and Uchiza in the Tocache zone;
- in the department of Huanaco, Rupa Rupa and Pumahuasi in Aucayacu/Tingo María and Santa Rosa, Mariscal Cáceres, and Nuevo Progreso in the zone of Padre Abad;
- in the department of Ucayali, Bajo Rayal, Nueva Piura, San Miguel de Semuya, and Nuevo Paraíso in the zone of Pucallpa and Nuevo Trujillo in the zone of Puerto Inca.

Financial Products

The Banco de la Nación is investing almost S/. 20 million in two pilot projects for the shared implementation of rural credit. These projects include the implementation of a technological platform (automatic tellers, card readers, teller windows) and debit card that will enable CMAC Maynas and CMAC Lurin to manage shared credit and debit and credit cards affiliated with VISA through the Banco de la Nación infrastructure. Based on this experience, these services may be extended to other microfinance institutions in the Program geographic area.

The credit component, along with the Program's Social Development area, is also helping coordinate credit from the Banco de la Nación to local governments for investments in infrastructure. Finally, during the last quarter, in coordination with the Office of Economic Development and the Environment of USAID-Peru and the Office of Development Credit of USAID-Washington, two DCA Guarantees for CMAC Maynas and CRAC Luren were approved at a level of \$2 million each. These guarantees represent approximately half of the amount of credit disbursed by these institutions in the Program areas and will be applied to loans given to Program farmers under the purchase order finance mechanism.

Organizations Accessing Credit

Credit is presently being channeled to Program farmers by six producer organizations via the purchase order financing mechanism; of these, two were added during the quarter (APROPAL and APAVAM). Credit amounts received by these institutions include: S/ 35,000 by APROPAL and S/ 100,000 by APAVAM.

Table 19. Producer organizations accessing credit.

Result 1.4b: 10 producer organizations are accessing credit			
Goal: 10 producer organizations access credit	Progress During the Year: 6 organizations	Progress During the Quarter: 2 producer organizations access credit from Caja Maynas (APROPAL y APAVAM)	Progress to Date: 6 (COPPU, CAT-Tocache, ACOPAGRO, Oro Verde, APROPAL, APAVAM)

During the past year, information about credit and the financial instrument developed by the Program has been disseminated to 42 organizations or businesses in the Program's geographic area. Of these, 25 have solicited credit (see Table 20 below). Approval of these credit applications has been delayed mainly due to the submittal of incomplete documentation on the part of the organizations or businesses and the cross-checking of information received by the microfinance institutions.

Table 20. Organizations in Program areas soliciting credit.

1. COOPERATIVA LA DIVISORIA (Tingo María)
2. ASPASH (OLPASA) ASOCIACION DE PALMICULTORES DE SHAMBILLO (Aguaytia)
3. ASPROC NBT – CACAO (Tocache)
4. ASOCIACIÓN CENTRAL DE PRODUCTORES AGRO INDUSTRIALES DEL ALTO HUALLAGA (Tocache)
5. ASOCIACIÓN DE PRODUCTORES ARROCEROS DE UCHIZA – APAU (Uchiza)
6. COOPERATIVA AGROINDUSTRIAL TOCACHE LTDA. (Tocache)
7. MOLINERA LA SELVA EIRL. (Tocache)
8. FREDEPALMA (Tocache)
9. MOLINERA SAN JUAN EIRL. (Tocache)
10. ASOC. COM. DE GANADEROS GRAN PAJATÉN JUANJUI (Juanjui)
11. ROMEX EXPORTADORA (EX - ROMERO TRADING) (Juanjui)
12. CENTRAL AGROPECUARIA PERLA DEL MAYO (Moyobamba)
13. COOPERATIVA AGRARIA EL GRAN SAPOSOA LTDA. (Saposoa)
14. MOLINO BARBARÁN (Ucayali)
15. MOLINO AGUILAR (Ucayali)

In order to assist this process, the Program has developed a procedural manual that explains the steps necessary to access credit and includes sample forms that can be used by the credit applicant.

Improved Management of Producer Organization Credit Departments

Activities related to improving the management of the credit departments of three producer organizations are continuing (Table 21). During the quarter, the Program helped ACOPAGRO to develop the following documents and guidelines:

Table 21. Improved management of producer organization credit departments.

Result 1.4c: 3 producer organizations improve the management of their Credit Departments			
Goal: 3 organizations improve the management of their Credit Departments.	Progress During the Year: Work began with 3 producer organizations (ACOPAGRO, COPAIN, and Oro Verde).	Progress During the Quarter: Work to improve the credit departments of ACOPAGRO, COPAIN, and Oro Verde continued.	Progress to Date: The Program is working to improve the credit departments of 3 organizations (ACOPAGRO, COPAIN, and Oro Verde).

- A Management Plan for the Credit Department: policies, procedures, and criteria for attending and evaluating credit requests and the administration, control, and recovery of credit awarded.
- A Manual of Functions and Procedures for the Credit Department: procedures for the evaluation and control of organization's members that have received credit and for the organization and management of credit received from national and international organizations that benefit the organization's members.
- Credit Regulations for ACOPAGRO: Establish the criteria in order to manage credit awarded by ACOPAGRO to its members as part of the Cacao Growers Credit Program, which is designed to respond to credit needs related to the maintenance, harvest, and post-harvest processing of cacao.
- In the case of Oro Verde and COPAIN, improvements in their credit departments have been minimal due to the fact that their credit arms (Credinaranjillo y Norandino) are based on funds obtained from other financial institutions that determine the rules and procedures for fund management. The Program is analyzing the feasibility of helping establish or strengthen the credit departments of the other 22 producer organizations assisted by PDA.

PDA Families Accessing Credit

Table 22. Percentage of PDA families that access credit.

Result 1.4d: PDA families participating in economic activities access credit.		
Goal: 10% of the total number of PDA families.	Progress during Quarter: 1,115 new families accessed credit.	Progress to date: 2,120 families access credit (2.8% of the total number of PDA families). S/13.7 M have been approved and S7 7.0M has been disbursed.

In the 11 months since the credit program began, S/ 13,775,217 in credit for 2,120 families in the Program's geographic area have been approved and S/ 7,070, 217 have been disbursed (Table 22). Of this total credit, 39% have been received by 827 PDA participants (2.82% of the total number of PDA families). The low rate of the total number of PDA farmers participating in the credit program is due, in part, to the incipient nature of the Program and the fact that Program participants are restricted to 4 principal crops, cacao, coffee, oil palm, and palmito. Also many Program families are not yet receiving income from the perennial crops planted and hence are reluctant to apply for credit.

During the last quarter, the number of PDA credit recipients more than doubled and the average loan amount (\$2100) increased by almost 100%, due to larger amounts of credit required to establish oil palm plantations. The amount of credit and number of recipients is greatest in Tarapoto, Tocache, and Pucallpa. Crops most benefitting from credit have been cacao, oil palm, and livestock. Fifteen percent of the credit disbursed has been received by women (322); the majority of the women credit recipients are found in Tarapoto and Tocache (Table 23). Credit is generally disbursed in the form of working capital and is being used to a) increase established agricultural areas, b) productive infrastructure, and c) increase productive activities.

The PDA Financial Product has enabled 1,971 producers to open savings accounts valued at S/ 6,202,817. This process of formalization and capitalization will enable these farmers to obtain other financial services, such as personal credit, housing credit, etc. in the future.

Table 23. Characteristics of credit disbursed as of September 2009.**Credit as of September 30, 2009****Credit Disbursed, by Geographic Area**

GEOGRAPHIC AREA	CUMULATIVE TOTAL 11/2008 - 09/2009	
	# Operacions	Amount in Soles
Aguaytia.- Ucayali	182	741,100.00
Cainarachi.- San Martín	44	261,400.00
Curimana.- Ucayali	85	489,900.00
Lamas-Juanjui.- San Martín	133	581,900.00
Pucallpa.- Ucayali	454	854,921.64
Tarapoto.- San Martín	538	1,749,240.27
Tingo María.- Huanuco	152	597,850.00
Tocache.-San Martín	531	1,793,906.02
TOTAL	2,119	7,070,217.93

Credit Disbursed, by Crop

CROP	CUMULATIVE TOTAL 11/2008 - 09/2009	
	# Operacions	Amount in Soles
Various Productive Activities	399	1,522,350.00
Rice	163	561,998.03
Cacao	478	1,722,930.63
Coffee	119	307,673.59
Sugar cane	23	74,047.80
Livestock	127	747,857.84
Milk	63	123,751.05
Wood	13	291,524.50
Oil palm	531	832,891.82
Palmito	139	504,692.67
Plantain	65	380,500.00
TOTAL	2,120	7,070,217.93
Note: Oil Palm approvals	382	6,685,000.00

Credit Disbursed to Women

GEOGRAPHIC AREA	CUMULATIVE TOTAL 11/2008 - 09/2009	
	# Operacions	Amount in Soles
Aguaytia.- Ucayali	30	112,000.00
Cainarachi.- San Martín	2	21,800.00
Curimana.- Ucayali	3	21,500.00
Lamas-Juanjui.- San Martín	10	92,100.00
Pucallpa.- Ucayali	75	118,972.92
Tarapoto.- San Martín	70	331,476.03
Tingo María.- Huanuco	28	103,700.00
Tocache.-San Martín	104	315,767.31
TOTAL	322	1,117,316.26

CHAPTER 4: SOCIAL DEVELOPMENT

In this section, we report the progress made in the areas that contribute to social development, i.e. community development (formerly social capital), governance, gender, and infrastructure. The Social Development area has been substantially reorganized and reoriented with a view towards achieving much greater integration between community development and governance, as a means of strengthening sustainable community development and the social enabling environment for economic development.

Reorganization

In general, progress during the year in the areas of community development and governance was affected by the internal reorganization of the Program, since the conceptual basis, strategies, and principal activities of these components were largely redefined between February and June, 2009. These changes were aimed at achieving a more concentrated and integrated focus on increasing the capacities of communities and local governments to work more effectively as individual actors and together to achieve greater levels of community development via public investments.

Fewer changes were made in the gender and infrastructure components and were mainly aimed at better defining the goals and indicators contained in the Logical Framework and focusing activities on the consolidation of economic and social development.

These changes were consolidated, and the work plan was modified, towards the end of the third quarter. However, adjustments are still being made in some areas.

Overall Impact

The Program's investment in communities and local governments during the current phase has achieved the following:

- Approximately \$1.9 M invested by the Program leveraged an additional public investment of \$6.3 M, mainly in the form of counterpart funds and labor contributed by regional governments and communities for infrastructure and productive projects;
- The preparation of technical studies and proposal for public infrastructure projects led to the approval of \$1.1M for public works in 7 municipalities by the Fund for the Promotion of Local and Regional Public Investments (FONIPREL); disbursements will begin next quarter;
- 482 Program communities were able to assure the inclusion of \$11.6M for social and productive services in municipal participatory budgets for 2010;
- Working with regional governments and municipalities, the Program was able to stimulate public investment for the establishment of 6,500 new hectares of perennial crops, principally in Ucayali which will contribute to farmer income and sales in the future;
- The Program was able to improve the quality of life for 637 families in 8 communities via potable water and electrification systems, and educational conditions for 723 students in Paraíso and Uchiza.

Integrating Communities and Governments

The chief objective of the community development and governance components is to increase public investment in community development via the joint participation of communities and local governments in the development of participatory budgets (PBs) and community development plans (CDPs).

Table 24. Interactions between communities and local governments.

Result 2: Strengthened interactions between communities and local governments promote community and economic development.			
Indicator: Percentage of municipal governments that implement, in a co-participatory fashion with local communities, budgets and services aimed at promoting community economic and social development.			
Goal	Progress During the Quarter	Progress During the Year	Present Status
30% (13 municipalities) of 44 municipal governments participate with local communities to implement participatory budgets or services.	40% of the municipal governments completed the participatory budget process and included funds for community services for 2010. Two municipal governments updated their Community Development Plans.	100% of the municipal governments have included funding for community services in the 2010 municipal participatory budgets. 16 governments updated their Concerted Community Development Plans (PDCs).	100% of the municipal governments have included funding for community services in the 2010 municipal participatory budgets. In total, 35 local governments were assisted with the formulation and implementation of participatory budgets through 98 workshops attended by 4,285 participants (3182 men and 1103 women). 16 governments updated their Concerted Community Development Plans (PDCs).

Participatory Budgets (PB) and Community Development Plans (CDPs)

The Program exceeded the goal (30%) for the percentage of municipal governments that implement, in a co-participatory fashion with local communities, budgets and services aimed at promoting community economic and social development (Table 24). All of the municipalities assisted by the Program (12 at the provincial level and 32 at the district level), have included funds in their participatory budgets that are earmarked for local economic and social development, thus impacting 482 Program communities (60% of the total found in the Program's geographical area). Each community will receive, on average,

more than \$24,000 from the municipal budget. The Program assisted this process via training of community and local government representatives.

Sixteen local governments have prepared Concerted Community Development Plans (PDCs), an increase of two during the quarter (San Antonio de Cumbaza and Sauce, both in San Martín (Table 24). During the year, 11 citizen budgetary oversight committees (COVICs) were also formed and include 29% participation by women.

While the preparation of PBs serves as the most important forum for dialogue and shared decisions by communities and government, various factors continue to limit its application: a) the relatively low level of involvement by local authorities who prefer to delegate authority to their technical teams, b) a 40% reduction in the chief source of municipal funds, the FONCOMUN, for community development; c) the lack of trust among local populations and governments due to a history of in compliance by the latter.

Training of Government and Community Representatives

To date, the current edition of the diploma course in “Management of Development Projects” executed by ESAN with assistance from the Program has developed 3 virtual and in-person sessions. Participants include: 3 employees of regional governments (2 from San Martín and 1 from Huánuco), 14 technicians and other personnel of municipal governments, 13 technicians from producer organizations, and 2 representatives of the councilwomen networks from Leoncio Prado and Lamas. Eleven of the 32 participants are women.

The participants are in the process of defining group projects which will address the following themes:

- Competitiveness in the commercialization of specialty coffees
- Oil palm in Honoria
- Improvement and extensión of potable water Systems in Madre Mía (Nueveo Progreso)
- Promotion of sugar cane in Campo Verde.

Community Development

The overall objective of the community development component is to increase the capacities of communities, their organizations, and their members to participate in and manage their own development. This is achieved by social capital activities focusing on strengthening the vision, cohesion, and cooperation within community organizations, the capacities of their leaders, and establishing more effective relationships, including increases in public investment, with local governments through joint participation in community development plans and participatory budgets.

These focal points are reflected and measured in the community development classification scheme, which is based on the following variables: formation and formalization of community groups and development plans, their recognition by municipal governments, the presence of community leaders who apply management tools,

community participation in the formulation of PBs and PDCs, and the degree of presence of coca. Based on weighted score of these variables, communities are classified according to their development stage: precarious, intermediate, or consolidated.

Implementation of the new strategy began in the third quarter. However, the community classification system is still being fine-tuned in order to reduce the degree of subjectivity in its application, and some communities originally included in the system have been replaced by others. Given these considerations and the brief period of implementation, results are incipient.

Table 25. Community capacities strengthened

Result 2.1: The capacities of communities, their organizations, and their members to participate in and manage their own development are strengthened.			
Indicator: Percentage of communities that graduate to a higher development stage category.			
Goal	Progress During the Quarter	Progress During the Year	Present Status
50% of precarious communities graduate to the intermediate category. 25% of intermediate communities transition to the consolidated category.	55 communities originally included in the classification system were replaced by other precarious communities (51 in San Martin and 4 in Tocache); the classification of another 24 communities from Curimaná is being reexamined.	There has been a 3% net positive change in communities graduated: a) 27% of the precarious communities graduated to the intermediate (64) or consolidated (2) levels of development. b) 6% of the intermediate level communities (10) graduated to the consolidated level, but 32% fell to the precarious level. c) 64% of the consolidated communities fell to the intermediate or precarious levels.	The Program is working with 504 communities, but the present classification is based on only 425 communities, since 55 were recently replaced and 24 communities from Curimaná are being reexamined due to inconsistencies in the data. Of the 425 communities, 58% are classified as precarious, 38% as intermediate, and 4% as consolidated.

To date, there has been a 3% (13 communities) net positive change in development status among the 425 communities analyzed. Sixty-six precarious communities and 10 intermediate communities increased their development status, but this improvement was partially offset by 52 intermediate communities and 11 consolidated communities that fell to lower development levels. As a result, there are now 236 precarious communities, 171 intermediate communities, and 18 consolidated communities (Table 26).

The decline in community development status was primarily due to an increase in the presence of coca and decreases in the number of capable leaders. Tingo Maria was most affected by the increases in coca, as well as the disruption of community processes by road

building. Other zones affected by increases in coca include: Pongo de Caynarachi (San Martín), Campo Verde (Ucayali), and Puerto Inca (Ucayali).

Table 26. Changes in the development stage of communities.

Region	Precarious to			Intermediate to			Consolidated to			Total
	Precarious	Intermediate	Consolidated	Precarious	Intermediate	Consolidated	Precarious	Intermediate	Consolidated	
San Martín	45	13	0	13	14	0	0	0	0	85
Tocache	50	12	0	11	8	0	0	0	0	81
Tingo María	31	3	1	18	15	2	2	5	2	79
Aguaytia	19	17	1	0	4	4	0	0	0	45
Ucayali	37	19	0	10	57	4	0	4	4	135
Total	182	64	2	52	98	10	2	9	6	425
	248			160			17			

Noteworthy are the communities of Margarita (Tingo María) and Santa Rosa Km. 200 (Aguaytia) that jumped from the precarious to the consolidated stage. Santa Rosa was the winner of the Selva Ganadora competition.

During the next two quarters large numbers of precarious communities are expected to graduate to the intermediate level as a result of the formulation of community development plans based on participatory diagnoses. To date, little work has been undertaken with consolidated communities, but that situation should improve in the future.

Selva Ganadora. The Selva Ganadora competition ended and the overall winner, Santa Rosa km 200, was declared. Two hundred and fifty-five of the original 269 communities participated in the final judging. Selva Ganadora proved to be important in motivating communities to make positive changes in their lifestyles and in mobilizing community and family resources. An added benefit was an increased involvement of local governments and institutions in local development processes.

This first experience with the use of community incentive funds has produced a number of important lessons shown in Table 27 below. The information presented is in the process of being enriched and deepened. It should be noted that the Selva Ganadora methodology has been adapted, simplified, and successfully applied by PDA agricultural extensionists for cacao management in the Tocache area. Its use in agricultural extension and community development will be amplified in the upcoming quarter

Table 27. Lessons learned from the first Selva Ganadora experience.

Item	Lesson learned	Suggested future adaptation
Contest themes	Too many.	Limit themes to one or two within a competition.
Information gathering	Baseline is too detailed.	Eliminate or simplify the baseline.
Development of capacities of participants	Too little coaching on the part of the Program.	Include training and assistance programs as integral parts of the competition.

Time	Competition is too long (August 2008 – October 2009)	Time required should be that necessary to show changes in behaviors or practices and should not exceed 6 months.
Community motivation	Non-winning communities may become unmotivated.	When possible, include incentives based on participation and larger prizes for winners.
Involvement of local actors.	Involvement of local actors has often demanded large amounts of volunteered time. Strategies for involving local governments need to be better defined.	Simpler evaluations (once, if possible) and greater involvement by local governments.
Geographic cover	Regional or national competitions may not favor local development.	Competitions should be regional or more local.

Governance

The overall objective of the governance component is to increase the capacities of local governments to better respond to community needs via increased public investment. This is accomplished through training to increase the management and administrative capacities of government personnel, the structuring of community-oriented programs, more effective participation of governments with communities in the form of PBs and CDPs (see section on community-government interactions), and increased access of local governments to external funds and services for community development. Similar to the process carried out with communities, local governments are classified into three categories (governments with basic, intermediate, or high management capacity) based on their scores related to the processes mentioned above.

At the beginning of the year, the Program proposed to work with 44 local governments, but 2 of these, San Roque de Cumbaza (Lamas - San Martín) and José Crespo y Castillo (Leoncio Prado - Huánuco) were suspended due to lack of interest or security concerns.

Table 28. Better governance by local governments.

Result 2.2: Increased organizational capacities of local governments and their representatives to provide services oriented towards community development.			
Indicator: Percentage of municipal governments that graduate to a higher development stage category.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
30% of “basic” local governments graduate to the “intermediate” management capacity	a) 32% of basic governments graduated to the intermediate category. b) No intermediate level government graduated to the	One local government was excluded due to lack of interest. a) 32% of basic local governments	To date, the Program has concentrated its work with 42 local governments with a high concentration of PDA communities.

<p>category.</p> <p>30% of “intermediate” governments graduate to the “high” management capacity category.</p>	<p>“high” management capacity category.</p> <p>10 governments received assistance for the implementation of income modules.</p> <p>Internal management of 23 governments was strengthened via training.</p> <p>Management instruments were updated in 5 district governments.</p> <p>The degree program in Management of Development Projects of ESAN University was initiated and 3 sessions were held. The Program includes 23 men and 11 women from local and regional governments and PDA producer organizations, and 1 representative of DEVIDA.</p>	<p>graduated to the intermediate category.</p> <p>b) No intermediate level government graduated to the “high” management capacity category.</p>	<p>To date, 55% of the governments have a basic management capacity, 40% have an intermediate capacity, and 5% have a high management capacity.</p>
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During the last quarter, there was a 14% (6 governments) net positive change in the development stage of local governments (Table 28). Ten (30%) of the governments with basic management capacity improved to the intermediate management capacity level, but these positive changes were partially offset by the decline of 2 intermediate governments and 2 high capacity governments to lower levels (Table 29). These negative changes in the Mariscal Cáceres and Puerto Inca provincial governments and the Daniel Alomía Robles and Curimaná district governments were caused by political problems related to the lack of good relations or democratic processes with their constituents.

Table 29. Changes in the management capacity of municipal governments.

Region	Basic Mgmt. Capacity to			Intermed. Mgmt. Capacity to			High Mgmt. Capacity to			Total
	Basic	Intermediate	High	Basic	Intermediate	High	Basic	Intermediate	High	
San Martín	17	5		1	1					24
Tocache		2			2					4
Tingo María	1	2		1	1					5
Aguaytia		1								1
Ucayali	3				1			2	2	8
Total	21	10	0	2	5	0	0	2	2	42
	31			7			4			

Source: Social Development Area

Alliances between PDA and Regional Governments

Within the governance component, the Program forges links and conducts activities with both the national and regional governments. These actions are oriented toward deepening the links between the Program and the State to provide support to farmers, communities, and local governments.

At the national level, activities are directed toward leveraging resources and strengthening alliances for the development of capacities within public institutions to facilitate the provision of services and investments in economic activities in Program communities. They include the following:

- Coordination with representatives of economic and social activities such as: Economy and Finance Ministry, Production Ministry, Ministry of Agriculture (MINAG), Foreign Trade and Tourism Ministry, DEVIDA and others
- Establishment of cooperative agreements for the implementation of training activities, promotion of Program products and execution of productive projects in various Program areas.
- Strengthening of the links between the national, regional and local governments as well as with producer organizations in order to increase economic and social service provision

At the regional level, work mainly focuses on the Ucayali and San Martín regional governments, since work with the Huanaco government is limited by its pro-coca stance (Table 30). In Ucayali, the Program collaborated with the Regional Government on the following:

- Establishment of 1,300 ha of cacao and provision of technical assistance to 650 producers in 35 communities.
- Technical assistance and training of 740 farmers of 3,700 ha of oil palm;
- Improvement of 131 km of rural roads in Neshuya and Shambillo;
- Technical assistance and training of 400 farmers having 300 ha of coffee, and the establishment of 400 new coffee hectares.
- Participation in the CRECER pilot Project (reduction of poverty and improvement of child nutrition) in Nueva Requena

With the Regional Government of San Martin, the Program implemented the following:

- The signing of an agreement, with the Regional Office of Foreign Commerce and Tourism, to improve the competitiveness of the value chain for specialty cacao produced by 5 communities in the zone of Pucacaca;
- Joint phytosanitary activities with the Agricultural Phytosanitary Service (SENASA) in Program geographic areas.
- Technical assistance to the regional government with the implementation of the Project “Strengthening the Communications Management Capacities of the Multi-sector Communications Committee of the Regional Government of San Martin for the Consolidation of Governance, Democracy, and Citizen Participation in the Region” .

Table 30. Alliances between regional governments and the Program.

Result 2.3: Regional governments form alliances with PDA.			
Indicator: Number of regional governments that participate in PDA activities.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
2 regional governments support PDA activities	The San Martin regional government collaborated on 3 projects and the Ucayali regional government collaborated on 5 projects.	El San Martin regional government agreed to 2 new collaborative projects with the Program. The Ucayali regional government committed itself to the CRECER pilot program in the Nueva Requena district, with participation of the Program.	PDA has received support from 2 regional governments, San Martin and Ucayali, for 8 projects.

Gender

Although the gender program is found within PDA’s Social Development area, it has a cross-cutting focus, working on four major areas in order to achieve greater gender equity within PDA: 1) the raising of gender consciousness among PDA participants, 2) promoting women’s participation in community organizations and activities, 3) assisting women’s involvement in productive activities, and 4) strengthening women’s participation in local governments, primarily through the Network of Councilwomen. Principal results are presented below.

Consciousness-Raising and Sensitivity Training

Table 31. Participants in consciousness-raising of gender at the local level.

Result 2.4.1: Gender consciousness of PDA participants is increased.			
Indicator: Number of men and women community leaders that participate in gender conscious-raising activities.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
2,000 participants with increased gender consciousness	2,577 people, (944 men, 1,633 women)	139 leaders (72 men and 67 women) trained via training-of-trainers methodology.	4,299 people with increased gender consciousness, 1,303 men and 2,996 women.

During the quarter, 139 leaders from six communities of Ucayali and Aguaytia were trained in themes related to gender and development. In total, 219 organizational leaders and representatives have been trained and have replicated their training to another 892 persons. They also organized 7 gender consciousness community fora in Chazuta, Saposoa, Curimaná, Puerto Inca, Tocache, and Aguaytia (2), in which 354 persons (160 men and 194 women) participated.

Men (174) and women (223) were also trained in leadership, licit lifestyles, and citizenship. Another 242 men and 373 women from 60 communities received sensitivity training in political participation and social control. Gender-based violence has also been a theme of attention in Ucayali where videos, fora, round table discussions, radio spots, drawing contests, and other media have been used to highlight this theme.

Table 32. Women in boards of directors of community organizations.

Result 2.4.2: Increase the participation of women in the boards of directors of grassroots community organizations.			
Indicator: The percentage of women represented in the boards of directors of grassroots community organizations			
Goal	Progress During the Year	Progress During the Quarter	Current Status
20% of the members of the Boards of Directors of community organizations are women.	Data are being collected.	Sampling of 23 communities from Tocache and 12 from Tingo Maria indicates that 39% of the total of 323 members of the boards of directors of 57 organizations are women.	Data are being collected.

Based on a sampling of a variety of organizations (public works maintenance committees, neighborhood and community groups, parents' associations, environmental monitoring committees, etc.) from 37 communities in Tingo Maria and Tocache, women play a significant role in community organizations, since they occupy 39% of the leadership positions. The majority of these female leaders have received training by the Program in gender equity.

Increased Economic Activities for Women

Table 33. Increased economic activities for women.

Result 2.4.3: More economic activities for women's organizations.			
Indicator: Number of women's producer organizations formed or strengthened			
Goal	Progress During the Year	Progress During the Quarter	Current Status
8 women's producer organizations are formed and strengthened	9 organizations formed.	4 organizations are in the process of formation	9 organizations are being formalized and are receiving technical assistance related to production and marketing

During the quarter, three women's productive groups were formed in the Clorinda Matto de Turner, Hermilio Valdizan, and Huayhuantillo communities in the province of Leoncio Prado, and in San Martín the diversified producers' committee of Chazuta was formed in order to increase their access to credit and markets (Table 33). All of the nine groups formed to date require organizational, technical, and commercial support. Incipient women's groups also exist in Aguaytia (3), Curimaná (1), Nuevo Trujillo (1) and Santa Rosa – Aguaytía (1) and are receiving basic organizational and commercial orientation. Sixteen female leaders also took part in an exchange visit to productive women's groups in the province of Leoncio Prado to exchange experiences related to coffee and flower production and women's participation in local governments.

Women in Agricultural Technical Assistance

Table 34. Participation of women in technical assistance activities.

Result 2.4.4: Increased participation of women in technical assistance activities.			
Indicator: % of women participants in agricultural technical assistance.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
20% of participants in technical assistance events are women	Women's participation in farmer field school, field days, and technical training events was 26% (297 women participants).	In 11 farmer field schools, 145 of a total of 382 participants were women (38%).	Past data are being incorporated into the Monitoring & Evaluation system.

Women’s participation in farmer field schools continues to be encouraged and is reflected in their recent level of participation – during the year the average participation of women in field schools was 36%, but this has increased to 38% in each of the last two quarters (Table 34). During the last quarter, the field schools included sessions on gender that have been co-facilitated by extensionists and promoters from the National Network for the Promotion of Women. Two hundred thirty-seven men and 145 women participated in these sessions. The extension teams of the La Divisoria and Tocache Cooperatives have also elaborated brief informative bulletins on gender equity.

Women’s Networks

To date, the formation of women’s network has mainly focused on the networks of municipal councilwomen and has included assistance with network development and gender-related policies.

Table 35. Women’s networks strengthened.

Result 2.4.5: Women’s networks are strengthened.			
Indicator: Number of women’s organizations formed and strengthened.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
5 women’s networks are formed or strengthened	5 networks were formed.	2 new networks were formed and another is in the process.	6 networks of municipal councilwomen exist.

During the quarter, councilwomen networks were formed in Puerto Inca and Ucayali, the latter with the participation of councilwomen from the municipalities of Curimaná, Nueva Requena, Campo Verde, and Irazola (Table 35).

During the year, 5 networks have been formed and 50 councilmen and women have been trained in political participation, the law of equal opportunity, municipal management, and citizenship. There were also 7 inter-district meetings where 135 female and 23 male local government representatives participated. Twelve councilwomen participated in exchange visits to Leoncio Prado and Bellavista, in order to become acquainted with municipal projects there related to developing the capacity of women in productive workshops and crafts.

At the political level, the councilwomen networks worked with women community leaders to formulate 9 municipal ordinances related to the protection of the rights of women. Other programs or commissions formed include: the Women’s Commission and the Manager of Social Development charged with assuring the access of women to the benefits of development (Leoncio Prado province), the Child and Adolescent Municipal Ombudsman in Chazuta (San Martín), the Women’s Emergency Center in Tocache, and the formation of four gender committees in Puerto Inca, Curimaná, Tocache, and Chazuta.

Representatives of the councilwomen network from Tocache, Leoncio Prado, and San Martín continue participating in the diploma course of Project Management offered by ESAN.

Infrastructure

The Infrastructure component is dedicated to providing or assisting the establishment and maintenance of public (mainly productive) infrastructure in various PDA communities. In the past, the component has been involved in the direct planning and execution of infrastructure. At present and in the future, the emphasis of this component will shift towards primarily providing technical assistance, via the preparation of technical profiles, proposals, and studies, to local governments that will enable them to access national funds for infrastructure, and secondarily, to assisting on a limited basis the direct execution of small productive infrastructure projects. In this way, the Program will leverage its limited resources and contribute to the development of local government capacities and long-term sustainability.

Table 36. Infrastructure in Program communities.

Result. 2.5: Infrastructure in PDA communities is improved via use of counterpart funds.			
Indicator: a) Number of infrastructure projects completed and transferred. b) Counterpart contributions for infrastructure.			
Goal	Progress During the Year	Progress During the Quarter	Current Status
a) 25 infrastructure projects are completed and transferred to entities responsible for their operation and maintenance.	9 projects were completed and 7 transferred.	2 projects were completed.	15 projects have been completed and 7 have been officially transferred.
b) State investment in infrastructure projects represents 50% of the Program's investment.	Counterpart funding obtained during the year was S/. 2,293,048.	Counterpart funding totaled S/. 98,706.	Counterpart contributions to date account for 103% of PDA's investment.

To date, 15 projects of the 23 infrastructure projects planned, have been completed and 7 have been transferred (Table 36). Two projects are on-going and 6 are scheduled to begin during the upcoming year. The current status of infrastructure projects and capital goods is shown in the Table below.

Table 37. Status of infrastructure and capital goods projects.

Project Stage	# Infrastructure Projects	# Capital Goods Projects
To begin	6	0
In execution	2	1
Completed	15	10
Total	23	11

Source: PDA Information System

The 15 infrastructure projects that have been completed to date include: bridges (4), school classrooms (4), potable water systems (2), rural electrification systems (2), and local roads (3) (Table 38). These projects benefitted 20 communities and 9,378 Program families. The roads and bridges will help lower transportation costs of products derived from 1,032 hectares currently in production.

Table 38. Types and impacts of types of infrastructure projects completed.

Type of Project	Quantity	# Communities benefitted	Labor invested (man-days)	
			Quantity	Value (S/.)
Rural roads	3	3	1,524	106,153
Bridges	4	7	3,105	147,577
Electrification Systems	2	4	2,362	96,447
Potable water Systems	2	2	1,037	55,654
Classrooms/schools	4	4	1,123	21,741
Total:	15	20	9,151	S/. 427,572

Counterpart Contributions

The data on counterpart contributions, shown below, correspond to on-going or completed projects and indicate a high amount of leverage (103%) of Program investments in infrastructure (Table 39). It should be noted that Program financing of technical studies and the preparation of technical proposals for infrastructure has enabled local governments to access large sources of public investment, which exceed by three times the Program's investment.

Table 39. Investments in infrastructure projects.

Type of Project	PDA Investment (S/.)	Counterpart Investment (S/.)	Total Investment
Public Works	2,123,394	1,247,788	3,371,182
Goods	387,236	343,910	731,146
Studies, Proposals	461,687	1,457,630	1,919,317
Total	2,972,317	3,049,328	6,021,645

CHAPTER 5: COMMUNICATIONS

The activities of the Communications component are oriented towards promotion of licit lifestyles in rural and urban areas within the Program's geographic mandate in order to positively influence public perception and disseminate information regarding Program achievements at the national, regional and local (community) levels. In addition, this component also provides technical support and backstopping of the other Program components in the development of publicity, training materials, and information networks.

The intermediate objectives of the communications area are:

Result 4.1: Communities and their leaders utilize strategies that promote a sustainable behavior change and participation in a licit lifestyle.

Result 4.2: Regional governments and strategic allies utilize communications strategies that promote a sustainable behavior change and participation in a licit lifestyle.

Result 4.3: National and regional populations consider the Program to be an effective option for licit development and have a favorable position toward the eradication of illegal coca.

During the past year, the communications component has consolidated a process of integration with the other components of the program. To this end, it has provided communications support to the economic development, social capital and governability components and has been active in program planning at the zonal level. Additionally, the communications component has continued to aggressively pursue actions which have substantial public impact and which have strengthened the position of the Program in the media in the different geographic areas of Program operation.

The efforts of the communications component are reflected in the progress and results reported below.

Behavior Change in Communities

At the local level, communications have been targeted toward promoting licit lifestyles in the communities in which the Program operates. An important aspect of this process is the strengthening of communication capacities of local leaders and their abilities to promote the licit economy in their respective communities. With this training, they will then will be able to better access and use public spaces and media in order to more effectively promote the advantages of the licit economy.

The project, *Community Communication for a Licit Lifestyle*, began in April and is currently being implemented in the 5 regional offices. The Program is targeted to work with 200 communities that include: 1) communities prioritized for intervention by the Community Development component; 2) communities that participated in the pilot community communications program; and 3) communities that currently have other activities with other development institutions and USAID partners. The results to date can be seen below in Table 40. There are 166 communities that have undertaken activities related to the project and more than 450 leaders are being trained as community

communication promoters. In addition, 64 communities already access mass media. For the implementation of the project, the Program has contracted 15 community communication consultants that are working to support the activity in all the regional offices.

Table 40. Communications activities at the community level.

Indicators	Aguaytía	Pucallpa	Tingo Maria	Tocache	Tarapoto
Numbers of communities that have identified communication promoters	22	26	26	36	56
Numbers of community communication promoters who participate in the program for communication capacity building	70	130	125	40	112
Number of identified and trained community spokesmen	6	22	0	8	20
Number of community media implemented	7	24	5	10	18
Number of community activities realized	7	8	0	14	3
Number of community media products produced	5	17	3	10	8
Campaigns of promotion of best agricultural practices	4	3	8	4	3

At the Lima office level, the following actions have been implemented:

Communication capacity building

Technical staff from Lima worked with the regional offices to validate a number of communications products, which helped promote the integration of the other Program components with communications as well as to improve the quality of communications projects. The different technical components have assisted in the validation of communications materials, which has significantly increased their quality.

Production of educational modules

Production of Educational Materials: In a joint effort with the staff from the Economic Development component, the Lima office continued producing training modules for cacao for distribution to participants and grantees in order to promote best agricultural practices in the field. These modules include materials for participants and a guide for training facilitators. The regional offices developed a distribution plan that tracks the agricultural calendar in order to increase timeliness and effectiveness of use of the materials. Similarly, training materials for coffee are currently being designed and validated and will be produced in the following months.

Local and Regional Governments Support Licit Development

During the past year, more emphasis was placed on working with the communication strategies of regional and local governments (Tables 40 - 42). The process initiated in San Martin with 19 municipalities (district and provincial) for the formulation and implementation of a communications plan for licit development continued its course. There are currently 8 municipalities with which the Program is working to formulate communication plans for development. In Pucallpa and San Martin, the Program initiated a process of capacity building in communication for local government civil servants. In Aguaytía and Tocache actions in this area will begin in the first quarter of the next reporting year.

Table 41. Community communications activities by region.

Indicators	Aguaytía	Pucallpa	Tingo María	Tocache	Tarapoto
Number of communities with communications promoters identified	21	22	0	22	56
Number of community communication promoters that are participating in the capacity strengthening program	0	65	0	60	112
Number of community spokespeople identified and trained	3	11	0	6	45
Number of community media implemented	4	17			16
Numer of community events undertaken	5	3	2	2	2
Number of community communications materials produced	4	9	6	17	6
Campaigns promoting best agricultural practices	1	0	1	3	0

Table 42. Communication activities involving governments at the regional level.

Indicators	Aguaytía	Pucallpa	Tingo Maria	Tocache	Tarapoto
Number of local governments with communication for development plan		2	0	1	19
Number of campaigns developed with local governments (transparency, accounts rendering, etc.).		3	5		2
Number of local government civil servants who have been trained in communication actions		7	0		16
Number of events supported and sponsored by local governments	3	5	6	4	2

Changing Opinions at the Regional and National Levels

Throughout the year the media presence of the program increased, even though the number of events of public impact and press releases stayed constant compared to the previous year. The strategy was primarily focused on courses for journalists, while maintaining a low profile in direct intervention in radio and/or televised programs. One example of the latter is the television program “Purito Desarrollo” which is currently broadcasted in Tingo Maria, Pucallpa and Tarapoto.

Table 43. Communication activities at the regional and national levels.

Indicators	Aguaytía	Pucallpa	Tingo Maria	Tocache	Tarapoto
Number of events public opinion	4	5	6	6	6
Number of appearances in mass media (written press, electronic radio, TV and other media).	91	40	105	100	14
Number of press releases and/or informative notes	18	32	32	40	26
Number of journalist courses	3	4	1	6	8
Number of radio programs	0	4	6	6	12
Number of television programs in which the program has had direct intervention	0	1	6	1	10

The following actions were implemented at the central level (Lima):

Television program, “Purito Desarrollo”

This program was implemented within the context of the Selva Ganadora competition and contributed in the positioning of the Program as an effective option of the licit economy. Through Program efforts, the efforts of more than 100 communities have been documented as they initiated the process of the transition to the licit economy. This program was produced in Tarapoto, Tingo Maria and Pucallpa.

VI Meeting of the Amazon Journalists Network

The sixth meeting of the journalist network was held in Pucallpa from 27- 29 May with the presence and participation of distinguished reporters, and the participation of around 100 journalists and communication experts from the different regional networks.

Baseline Information

The Program currently has baseline information on the indicators related to the measurement of result 4.3 in urban areas. This activity was undertaken with the support of the monitoring and evaluation component. The baseline data collection effort was realized during February in the 8 principal cities affected by Program activities: Pucallpa, Tarapoto, Tingo Maria, Tocache, Aguaytía, Juanjuí, Aucayacu and Lamas. The results of this baseline survey will enable strategic communication decisions related to public opinion to be made more effectively.

Audio-visual production

Two documentary videos have been produced: “The Miracle of San Martín” and “Tocache: Corazón Abierto”; both approximately 12 minutes of duration. These videos’ objective is to disseminate positive results of Program activities in the region of San Martín in regional, national and international media spaces. Additionally, the Selva Ganadora competition was enriched with the production of jingles, radio and television spots, which were used as the base for the launching and production of the “Purito Desarrollo” televising program.

Event Production

The Program presented stands showcasing Alternative Development and its products in several international fairs. These included: the APEC summit; Expoalimentaria 2009; the most important gastronomical fair of Peru, Mistura 2009; and the Peruvian Regions Fair 2009, in which the Program participated with the San Martín regional government.

Additionally, the Program participated in the **La Noche del Cacao Peruano**, an event co-organized with the Ministry of Agriculture, VSF-CICDA, and the Association of Peruvian Cacao Producers, to promote Peruvian cacao as the Program’s flagship product.

The Program also had an active role in the IV National Quality Coffee Competition, in which the Program provided support to the Junta Nacional de Café as well as media coverage of the participation of Antonio Brack, Minister for the Environment, Michael McKinley, the US Ambassador, and Romulo Pizarro, President of DEVIDA.

Finally, various local events publicizing Program progress for communities and local authorities were organized. Some of these included: the launching of the Program in Uchiza, the formal initiation of activities in Paraíso, and the inauguration of the electrification system for 3 indigenous communities in Lamas. In all these events, the Program organized community participation, the design of communications materials, and the support of local and regional media coverage.

CHAPTER 6: MONITORING AND EVALUATION

The Monitoring and Evaluation (M&E) component of the Program is responsible for the collection, processing, and maintenance of data related to the monitoring of the results and indicators contained within the Results Framework, including baseline studies, surveys, and studies to measure impact. The principal activities undertaken during the year included:

- Collection of data related to the incorporation of new families, communities, and new hectares of plantations in the Program and to crop productivity.
- Verification of field activities.
- Modification of the Program's data base modules in order to facilitate the monitoring of indicators of agricultural productivity.
- Modification of the Results Framework that reflects the reorientation of the Program.
- The agricultural diagnosis of Pto. Inca.
- Assisting data collection and processing for Selva Ganadora.

Data Collection

At present, the Program is actively assisting 20,173 families distributed among 884 communities through agricultural assistance. During the present year, 129 new communities and 6,801 families were added; of these 7 communities and 1,156 families were added during the last quarter. Since its inception, the Program has assisted a cumulative total of 925 communities and 74,902 families with non-coca agreements. Of these, 884 communities are active.

Verification of Field Activities

During the past year, the M&E unit conducted a total 326 verifications at the community level. Coverage ranged from 15% of the communities in Ucayali to 78% of the communities in Tingo Maria (Table 43).

Table 43. Verification activities at the community level.

Regional Office	# Communities Visited During the Year	# Communities Visited During the Quarter
Aguaytia	47 (73% coverage)	12
Tocache	81 (52% coverage)	26
Tingo María	54 (78% coverage)	16
San Martín	112 (29% coverage)	41
Ucayali	32 (15% coverage)	10

The M&E unit also accompanied joint monitoring visits by USAID-DEVIDA to 8 communities in San Martín, 5 in Tingo María, 4 in Aguaytia, 3 in Ucayali, and 3 in Tocache.

Development of Data Base Modules

The M&E unit worked on developing data base modules for 5 areas: agricultural production, communications, community development and governance, Selva Ganadora, and credit. Information on the contents of the modules is shown in Table 44, below.

Table 44. Information contents of the M&E modules.

Module	Purpose
Agricultural production : register of principal crops (cacao, coffee, oil palm, palmito, and plantain).	Permit monitoring of plantation areas and productivity of each crop.
Communication activities	Plan and monitor communication activities in PDA communities.
Community Development and Governance	Register baseline data for PDA communities and local governments Classify communities and governments by development stage.
Selva Ganadora competition	Register participating communities and themes selected Register baseline data for the communities. Monitor progress of the various components. Report results.
Credit	Register personas receiving credit Identify and quantify PDA familias that receive credit.

Surveys/Studies/Baselines

The M&E unit carried out, or is in the process of carrying out, a number of surveys or baseline studies (Table 45).

Table 45. Surveys or baseline studies carried out by the M&E unit.

Type of Activity	Purpose	Results
Survey of urban perceptions (completed)	Establish status of perceptions of national and regional populations regarding the Program as a viable option of licit development.	M&E participated in the design of survey instruments, fieldwork, and in assuring data quality. Results: % of population that perceive coca as a problema: Juanjui (78%), Tarapoto (77%), Lamas (71%), Aguaytia (36%). % of population that perceive the Program as contributing to development: Tarapoto (93%), Lamas (86%), Juanjui (81%)

Agricultural diagnosis of Pto. Inca (in progress)	Determine potential and actual agricultural production of Pto. Inca	Design and validation of data gathering instruments. Training of survey personnel. Field work.
Baseline description of communities participating in Selva Ganadora	Establish baseline status of components that will be evaluated Turing the competition.	Design and use data collection instruments. Determine the progress achieved against each of the indicators.
Social capital baseline	Determine status of PDA communities and local governments. Categorize communities and governments based on development stage.	Design and validate data Collection instruments. Collect data in the field. Assure consistency and quality of data Emit reports

Annex 1. The current results framework used by the Program.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCI A USAID/PERU EN CONVENIO CON DEVIDA					
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS	
FIN	Desarrollo integral lícito en zonas del PDA				
PROPOSITO	P1	Consolidar el cambio de comportamiento de la población en comunidades PDA, a favor del desarrollo lícito contrario al cultivo de la coca; y mantener una opinión publica favorable a nivel regional y nacional. (1)	a) Incremento del TR° favorable al cumplimiento del Convenio Marco. (2)	Evaluación Integral PDA - DEVIDA	Es política de nivel nacional el tratamiento del tema de la coca ilícita.
			b) Incremento de la sensación de bienestar en familias PDA.(3)	Evaluación Integral PDA - DEVIDA	Las autoridades y líderes regionales y locales promueven una cultura de vida lícita en sus ámbitos.
			c) 4,500 nuevas familias suscriben acuerdos de no resiembra de coca en la etapa 2008-2010. * INDICADOR DE CONTRATO	Reporte de CI (Sistema de Información-SI)	
			d) Se incrementa en 10% el índice de valoración negativa del cultivo de hoja de coca contrario al desarrollo lícito en la población de las principales ciudades del ámbito del PDA (sujeto a revisión técnica y programática).(4)	Línea de base y mediciones anuales de percepción en zonas urbanas (CI)	Ambito de PDA libre de convulsión sociopolítica (5)
RESULTADOS	R1	DESARROLLO ECONÓMICO SOSTENIDO DE LAS FAMILIAS PDA	a) 20% de incremento en el valor de los ingresos agrícolas de las familias que participan en las actividades económicas del Programa, al finalizar el proyecto.(6)	Evaluación Integral PDA - DEVIDA.	El país ha implementado una política integral antidrogas que promueve oportunidades de actividades económicas lícitas en el ámbito PDA. Evolución favorable del mercado de consumo para productos agrícolas del Programa.
			b) 24,000 hectáreas de nuevos cultivos lícitos son plantados y conducidos con estándares adecuados en el período 2008-2010. INDICADOR DE CONTRATO (7)	Reportes de CI (Sistema de Información)	Servicios e insumos disponibles oportunamente para la actividad agrícola promovida por el Programa.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIA USAID/PERU EN CONVENIO CON DEVIDA					
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS	
	R1.1	Producción y productividad agrícola incrementada en el ámbito PDA	Familias PDA que participan en las actividades económicas del proyecto logran en promedio, por hectárea/año, 17 qq en café, 800 kilos en cacao y 15 TM en palma aceitera; en sus plantaciones que están en el tercer o más años de producción. INDICADOR DE CONTRATO (8)	Evaluación Integral PDA - DEVIDA. Reportes CI (Sistema de Información)	Condiciones climáticas favorables para los cultivos promovidos por el Programa.
	R1.2	Capacidad incrementada para la gestión de las organizaciones de productores.	Número de organizaciones que suben de categoría en su capacidad de gestión organizacional. Meta: 15 organizaciones (9) (10)	Reportes CI	Condiciones sociales y políticas favorables para el desarrollo de organizaciones de productores en las comunidades.
	R1.3	Inversión privada promovida en el ámbito del PDA	a) Número de empresas invirtiendo en las zonas de intervención de PDA. Meta: 10 empresas (11) b) Número de convenios de inversión pública privada firmados para el desarrollo de actividades económicas en el ámbito PDA, al finalizar el proyecto. Meta: 4 convenios (12)	Reportes de CI	Condiciones sociales, políticas y económicas favorables a la inversión privada.
	R1.4	Familias del ámbito PDA acceden a créditos	a) Entidades financieras ofrecen créditos en zonas PDA. Meta: 6 entidades financieras b) Organizaciones acceden a créditos. Meta: 10 organizaciones (13) c) Organizaciones de productores mejoran sus departamentos de crédito. Meta: 3 organizaciones con nuevos procesos e instrumentos, y personal capacitado. (14) d) Porcentaje de familias que participan en actividades económicas promovidas por el PDA acceden al crédito. Meta: 10% del total de familias (15)	Reportes de CI Estudios específicos	Incremento del servicio financiero en el ámbito del Programa. Marco normativo favorable a los departamentos de crédito en las organizaciones de productores.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIA USAID/PERU EN CONVENIO CON DEVIDA				
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS
R1.5	Articulación comercial de la producción a nuevos compradores.	Número de nuevas empresas formales que compran productos provenientes del PDA. Meta: 5 empresas (16)	Reportes del CI	Evolución favorable del mercado de consumo para productos agrícolas del Programa.
R.2	INTERACCION FORTALECIDA DE COMUNIDADES Y GOBIERNOS LOCALES PROMUEVEN DESARROLLO COMUNITARIO Y PRODUCTIVO	Gobiernos municipales implementan de forma co-participativa con las comunidades servicios que promuevan el desarrollo económico y social de las comunidades. Meta: 30% de gobiernos municipales. (17)	Reporte de CI	Marco legal favorece la gestión participativa y para el desarrollo local. Gobierno local con disposición a la gestión participativa.
R.2.1	Mejorar la capacidades de las comunidades, sus organizaciones, y sus miembros para auto-gestionar su desarrollo	Número de comunidades que suben de categoría en etapa de desarrollo. Meta: a) 50% de comunidades precarias suben a la categoría intermedia. (18) b) 25% de comunidades de categoría intermedia suben a categoría consolidadas. (19)	Sistema de Información	Disposición comunal a procesos de socialización y búsqueda de consenso. Existe una mayor presencia del Estado en el ámbito del Programa.
R.2.2	Aumentar las capacidades organizativas de los gobiernos y sus funcionarios/as para prestar servicios orientados al desarrollo hacia las comunidades	Número de gobiernos municipales que suben de categoría de etapa de desarrollo. Meta: a) 30% de gobiernos suben de categoría baja a media en su capacidad de gestión. (20) b) 30% de gobiernos suben de categoría media a alta en su capacidad de gestión. (21)	Sistema de Información	Intensificación de la aplicación de la política nacional de promoción de la participación ciudadana en la gestión pública. Disposición de autoridades locales y regionales para fortalecer la gobernabilidad. Procesos de revocatoria y otros de convulsión social, en espacios locales, no afectan a concejos municipales de ámbito PDA.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIA USAID/PERU EN CONVENIO CON DEVIDA				
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS
R.2. 3	Gobiernos regionales actuando como aliados estratégicos del PDA	Gobiernos Regionales comprometen su apoyo al PDA, al finalizar el proyecto. Meta: 2 Gobiernos Regionales (22)	Reportes de CI Reportes de Sistemas de Monitoreo Regional	1. Procesos de revocatoria y otros de convulsión social, en espacios locales, no afectan a concejos regionales. 2. ESAN logra reclutar el número de funcionarios considerados como meta para su programa de capacitación.
R.2. 4	Promoción del enfoque de género en ámbito PDA. Promoción de género en zonas PDA	Número de personas (mujeres y varones) participan en proceso de sensibilización en género a cargo de líderes comunales capacitados Meta: 2,000 personas (mujeres y varones) (23) El porcentaje del total de integrantes de las juntas directivas de las organizaciones de base son mujeres (JASS y Directivas Comunales) Meta: 20% del total de los integrantes Fortalecimiento de organizaciones productivas de mujeres. Meta: 8 organizaciones de mujeres formadas y/o fortalecidas y actuando en redes Participación de mujeres en actividades de asistencia técnica, y en la prestación del servicio. Meta: 20% de asistentes mujeres Fortalecimiento de redes de mujeres. Meta: 05 redes de mujeres funcionando y fortalecidas en el ámbito del Programa.	Reportes CI Estudios específicos de impacto en equidad de género	Marco normativo favorable a la inclusión de la mujer en las organizaciones de base y gobiernos municipales. Medios de comunicación con acción favorable a la acción inclusiva de los grupos sociales, con preferencia a la inclusión de la mujer.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIA USAID/PERU EN CONVENIO CON DEVIDA				
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS
R.2. 5	Mejora de infraestructura económica y social orientando las inversiones del Estado a las comunidades PDA.	a) Obras en uso y transferidas a las entidades competentes encargadas de su operación y mantenimiento, al finalizar el proyecto. Meta: 25 obras en uso y transferidas	Reportes de CI a través del sistema de información del Programa.	Cumplimiento de compromisos de participación en los gobiernos locales y los gobiernos regionales. Este compromiso involucra una adecuada gestión técnico-administrativa de las obras y el aporte oportuno de la contrapartida.
		b) El porcentaje de inversión del Estado en infraestructura representa el 50% de lo invertido por el PDA. (24)	- Convenios firmados entre el Programa y los gobiernos locales en el que se especifica los aportes de cada entidad para la construcción de obras. - PIA (Programas de Inversión Anual) y PIM (Programas de Inversión Modificado) de los sectores del Estado, gobiernos regionales y locales en los que se menciona las obras que cuenta con financiamiento. - Listado de proyectos, sitio oficial del MEF, que consiguen financiamiento del Estado a través del FONIPREL.	- Asignación de fondos oportuno de los sectores del Estado, gobiernos regionales y locales para la ejecución de las obras. - Eficiencia técnica y administrativa de los gobiernos locales en la gestión los proyectos y ejecución del gasto.
R3	ESTILOS DE VIDA LÍCITOS PROMOVIDOS	a) Se incrementa en 10% el índice urbano de valoración positiva de los estilos de vida lícitos en la población de las principales ciudades del ámbito del PDA .(sujeto a revisión técnica y programática). (25) b) Se incrementa en 10% el índice rural de valoración positiva de los estilos de vida lícitos en la población de las comunidades participantes del PDA (sujeto a revisión técnica y programática).	Línea de Base y mediciones anuales de percepción en zonas urbanas (CI). Encuesta Anual del Impacto del PDA - DEVIDA.	Medios de comunicación locales, regionales y nacionales con acción favorable al desarrollo lícito.

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIA USAID/PERU EN CONVENIO CON DEVIDA					
JERARQUIA DE OBJETIVOS		METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS	
	R3.1	Comunidades y sus líderes cuentan con estrategias comunitarias que promueven su cambio de comportamiento para una vida lícita.	Comunidades PDA con procesos comunicativos que promueven el desarrollo lícito, al finalizar el proyecto. Meta: 200 comunidades.	Reportes de CI Evaluación semestral	Situación social y política favorable al desarrollo lícito.
	R3.2	Gobiernos locales y regionales, y aliados estratégicos, cuentan con estrategias y acciones de comunicación que apoyan la promoción del desarrollo lícito.	Gobiernos locales y Gobierno Regional, cuentan con herramientas para la gestión adecuada de la comunicación a favor del desarrollo lícito, al finalizar el proyecto. Meta: 32 gobiernos locales y 1 gobierno regional	Reportes de CI	Situación social y política favorable al desarrollo lícito.
	R3.3	La población regional considera al PDA como una opción eficaz de desarrollo lícito.	a) Se incrementa en 10% el índice urbano de valoración positiva del Programa como opción eficaz de desarrollo lícito en la población de las principales ciudades del ámbito del PDA (sujeto a revisión técnica y programática). (26) b) Se incrementa en 10% el índice rural de valoración positiva del Programa como opción eficaz de desarrollo lícito en la población de las comunidades participantes del PDA (sujeto a revisión técnica y programática). (27)	Línea de Base y mediciones anuales de percepción en zonas urbanas (CI). Encuesta Anual del Impacto del PDA - DEVIDA.	

Nota 1: Comunidades PDA, en este caso son aquellas poblaciones que firmaron Convenio Marco, Acta de Entendimiento con el PDA o que fueron incorporadas a través de un Acta del Alcalde Distrital y las personas integrantes de la comunidad a través un documento de declaración jurada.

Nota 2: El incremento del TR⁹ se calcula a partir de los resultados de la encuesta de impacto de DEVIDA

Nota 3: Para determinar el cambio en bienestar se analizará la percepción de la familia PDA respecto a la mejora económica y mejoras en la comunidad.

Nota 4: Las principales ciudades donde se evaluara el impacto de las comunicaciones son: Tarapoto, Lamas, Juanjui, Tocache, Tingo María, Aguaytia, y Pucallpa.

Nota 5: Ámbito PDA, en este caso, es el territorio de las comunidades que firmaron Convenio Marco, Acta de Entendimiento con el PDA o que fueron incorporadas a través de un Acta del Alcalde Distrital.

Nota 6: Familias PDA, en este caso, son las familias que participan de las actividades económicas que este promueve. Está integrado por la sumatoria de tres elementos: a) Las familias que firmaron Convenio Marco en el periodo 2002-2007, y que continuarán siendo apoyadas en el periodo 2008-2010, más, b) las familias que firmaron acuerdos de no resiembra de coca en el marco del programa post erradicación Tocache en el periodo 2006-2007 y que continuarán siendo apoyadas en el periodo 2008-2010, más, c) las familias nuevas que se incorporarán

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIADA USAID/PERU EN CONVENIO CON DEVIDA

JERARQUIA DE OBJETIVOS	METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS
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en el periodo 2008-2010. El número exacto de familias a) y b) se conocerá en el mes de Marzo, luego que CI culmine su proceso de sinceramiento de padrones e identificación de familias que participaron en las actividades económicas del PDA.

- Nota 7:** Las actividades económicas a considerar son los cultivos de café, cacao, y palma aceitera. La meta propuesta en PRODUCTIVIDAD, se evaluará a partir del 3er año de producción de estos cultivos. El primer año de producción se da al 3er año después de instalado el café y el cacao, y a los 5 años después de instalada la palma.
- Nota 8:** Estándares adecuados se refiere a: a) En el caso de plantación tener el número adecuado de plantas por hectárea que garanticen una buena productividad; por ejemplo en el caso del café implica un mínimo de 3,333 plantas por hectárea con excepción de la OR San Martín que tiene 5,000 plantas por hectárea, en el caso del cacao 1,111 plantas por hectárea, y en el caso de la palma aceitera 143 plantas por hectárea. b) En el caso de la conducción técnica se refiere a la aplicación de los lineamientos técnicos por actividad productiva que han sido establecidas en el Anexo I: Lineamientos Programáticos PDA Proyectos Productivos del Plan Operativo.
- Nota 9:** Se clasificarán a las organizaciones de productores tomando en cuenta 5 criterios : Constitución, legalidad, gestión administrativa, gestión organizacional, gestión empresarial. Esto nos permitirá clasificarla en 4 niveles, naciente, emergente, en vías de consolidación y consolidadas
- Nota 10:** No consideramos necesario colocar el nombre de la 15 organizaciones en el marco lógico ya que esta relación puede variar en la ejecución del programa
- Nota 11:** Empresas privadas que debido a la intervención del programa deciden invertir en infraestructura, asistencia técnica, acopio, certificación o insumos en zonas de intervención del programa
- Nota 12:** En la alianza público - privado, la representación del agente público es otorgada a USAID.
- Nota 13:** Organizaciones de Productores vinculadas al PDA (Donatarias)
- Nota 14:** Mejora y/o Elaboración de Formatos y Documentos de Gestión en Créditos
- Nota 15:** Familias en ámbito PDA dedicadas a actividades agropecuarias META A 2010: 2,000 familias con financiamientos
- Nota 16:** Se entiende por empresa formal a empresas legalmente constituidas, las cuales no realizan actividades comerciales en una determinada zona o región (ámbito de oficina regional) del PDA y con el asesoramiento del programa decide intervenir en una nueva zona o región PDA, .
- Nota 17:** Se refiere a la implementación de acuerdos institucionales que son producto del consenso de las comunidades y los gobiernos municipales para la prestación de servicios para su desarrollo económico (productivo, comercial, empresarial) y social (organizacional, salud, educación, otros). Los acuerdos institucionales son: Actas Comunales Refrendadas por la Autoridad Municipal, Resoluciones Municipales, Ordenanzas Municipales, Presupuesto Inicial de Apertura de la Municipalidad [PIA], o Presupuesto Participativo [PP].
- Nota 18:** Aplicando los criterios: a) grado de organización, b) existencia de plan comunal, c) grado de acceso a recursos externos, d) actitud comunal con relación a la vida ilícita, y e) relación con el gobierno municipal, existen **299** comunidades precarias (incluye 46 comunidades nuevas de Uchiza y Paraiso) Estos criterios y categorización serán monitoreados por las propias comunidades, con una frecuencia semestral.
- Nota 19:** Bajo los mismos criterios y metodología indicados en la nota 18, son **167** las comunidades intermedias y **41** las comunidades consolidadas
- Nota 20:** Aplicando los criterios: a) uso de herramientas de gestión, b) estructuras funcionales, c) capacidades de funcionarios/as, d) servicios municipales y e) acceso a recursos externos, existen **33** gobiernos municipales con baja capacidad de gestión. Estos criterios y categorización serán monitoreados por los propios gobiernos municipales, con una frecuencia semestral
- Nota 21:** Bajo los mismos criterios y metodología indicados en la Nota 20, son **07** los gobiernos municipales con capacidad media de gestión y **04** los gobiernos con alta capacidad de gestión.
- Nota** Comprometer su apoyo al PDA significa que los gobiernos regionales han establecido programas de intervención conjunta con el PDA en comunidades PDA o en actividades que el PDA

MARCO LOGICO DEL PROGRAMA DESARROLLO ALTERNATIVO EN SU ETAPA 2008-2010 QUE FINANCIADA USAID/PERU EN CONVENIO CON DEVIDA			
JERARQUIA DE OBJETIVOS	METAS (PARA INDICADORES)	FUENTE DE VERIFICACION	SUPUESTOS

22: promueve.

Nota 23: El valor está referido al número de personas que participan en las actividades o eventos que realizan los líderes sociales capacitados en equidad de género por la RNPM bajo el marco de este Programa.

Nota 24: Se considera el valor de las capacidades y los recursos comprometidos y usados por apalancamiento del Programa.

Annex 2. Organizations assisted by the Program.

Organization	Product	Geographic Area
Cooperativa Agraria Cacaotera ACOPAGRO	Cacao	San Martín
Cooperativa Agraria Cafetalera Oro Verde	Coffee, Cacao	San Martín
Asociación de Productores de Palmito	Palmito	San Martín
Asociación de Productores Agropecuarios de Chazuta	Cacao	San Martín
Cooperativa Agraria Cafetalera La Divisoria	Coffee, Cacao	Tingo María, Tocache, San Alejandro
Asociación de productores de Cacao del Valle de Shambillo	Cacao	Aguaytia
Cooperativa Agro Industrial Naranjillo	Coffee, Cacao	Tingo María, Tocache, San Alejandro
Asociación de Floricultores del Huallaga	Flwers	Tingo María
Asociación de Productores Agropecuarios Juan Velasco Alvarado	Cacao	Paraiso
Cooperativa Agro Industrial Tocache	Cacao	Tocache
Asociación de Productores Cacaoteros de Uchiza	Cacao	Uchiza
Asociación de Mujeres Confeccionistas la Fuerza del Mañana	Clothing	Tocache
Asociación de Productores de Cacao Nuevo Bambamarca – Tocache	Cacao	Tocache
Asociación de cafetaleros de tocache	Coffee	Tocache
Asociación Central de Productores Agroindustriales del Alto Huallaga	Rice	Tocache
Asociación de Productores de Arroz de Uchiza	Rice	Uchiza
Asociación de Ganaderos del Distrito de Uchiza "El Oriente"	Livestock	Uchiza
Comité Central de Palmicultores de Ucayali	Oil palm	Ucayali
Comité Central de Productores Agropecuarios de san Alejandro	Cacao	Ucayali
Consorcio de Productores de Plátano de Ucayali	Plantains	Aguaytia
Asociación de Palmicultores de Shambillo	Oil palm	Aguaytia
Comité de Productores Agropecuarios de Montevideo	Unrefined sugar	San Martín
Cooperativa Agraria El Gran Sapoosa LTDA	Cacao	San Martín

Annex 3. Membership of organizations assisted by the Program.

Region		Organization	Product	Committees	# Members as of September 2009	
					TOTAL	PDA
SAN MARTÍN	1	ACOPAGRO	Cacao		1508	600
	2	CAC ORO VERDE	Coffee &Cacao		1112	602
	3	APROPAL	Palmito		420	252
	4	ALLIMACACAO (EX - APA CHAZUTA)	Cacao		394	275
	5	Productores Agropecuarios de Montevideo	Unrefined sugar		38	16
	6	Cooperativa Agraria El Gran SAPOSOA	Cacao		69	34
		Com. Indep. Lácteos San Martín	Milk	7	150	25
		COMITES INDEP. ROMERO TRADING	Cacao	34	1200	437
TINGO MARÍA	7	CAC DIVISORIA	Coffee &Cacao		695	500
	8	CAI NARANJILLO	Coffee &Cacao		3000	537
	9	AGROFLORA	Tropical flowers		20	12
	10	JUAN VELASCO ALVARADO	Cacao		50	30
TOCACHE	11	CA TOCACHE	Cacao		438	350
	12	APCU	Cacao		78	60
	13	FUERZA DEL MAÑANA	Clothing		5	3
	14	ASPROC – NBT	Cacao		107	86
	15	ACPT	Coffee		51	9
	16	APAAHT	Rice		250	88
	17	APAU	Rice		63	19
	18	ACEPAT	Oil palm		360	72
UCAYALI	19	COCEPU	Oil palm		510	100
	20	ACPAFMA	Cacao, Oil palma		400	345
		COM. INDEP. Crnl. Portillo y Pto. Inca	Cacao	25	391	391
		Com. Ind. Irazola - Curimana	Cacao	12	161	161
AGUAYTÍA	21	COPPU	Plantains		200	150
	22	ASPASH	Oil palm		286	150
	23	APCTVSH	Cacao		120	100
TOTAL				78	12076	5404

Annex 4. Dissemination of the PDA financial product, by community.

Zone	Community	Región	Organization/Business	Crops	Order
Mariscal Cáceres	Tingo de Saposoa	San Martín	Lacteos San Martín y Asoc. Gran Pajatén	Ganaderia	1
	Villa Prado	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	2
	La Victoria	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	3
	Chambira	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	4
	Dos de Mayo	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	5
	Campanilla	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	6
	Balsayacu	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	7
	Alto El Sol	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	8
	Pachiza	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	9
	Huicungo	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	10
	Pajarillo	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	11
	Sacanche	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	12
	Juanjui	San Martín	CAC ACOPAGRO, ROMEX SA y Lacteos San Marín	Cacao y Ganaderia	13
	Atahualpa	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	14
	San Ramón	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	15
	Bagazan	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	16
	Mojarras	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	17
	Pizarro	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	18
	Shepte	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	19
	Miraflores	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	20
	Shumanza	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	21
	Ricardo Palma	San Martín	CAC ACOPAGRO Y ROMEX SA	Cacao	22
Bellavista	Pucacaca	San Martín	CAC ACOPAGRO	Cacao	23
	Picota	San Martín	Lacteos San Martín y CAC ACOPAGRO	Cacao y Ganaderia	24

Zone	Community	Región	Organization/Business	Crops	Order
	Bellavista	San Martín	Lacteos San Martín y CAC ACOPAGRO	Cacao y Ganaderia	25
	Saposoa	San Martín	FRUDELAC, CAC ACOPAGRO, ROMEX SA, CAC GRAN SAPOSOA	Cacao y Ganaderia	26
	Montevideo	San Martín	CAC ACOPAGRO	Cacao y Caña de azucar	27
	Piscoyacu	San Martín	CA Gran Saposoa	Cacao	28
	Ledoy	San Martín	Lacteos San Martín y CAC ACOPAGRO	Ganaderia	29
Tarapoto	Chirapa	San Martín	CAC ORO VERDE	Cacao y Café	30
	Lamas	San Martín	CAC ORO VERDE	Cacao y Café	31
	Alto Andino	San Martín	CAC ORO VERDE	Café	32
	Somos Libres	San Martín	CAC ORO VERDE	Café	33
	Pacaysapa	San Martín	CAC ORO VERDE	Café	34
	Hungurahuiyupampa	San Martín	CAC ORO VERDE	Café	35
	San Juan Salado	San Martín	CAC ORO VERDE	Cacao	36
	Alto Shambuyacu	San Martín	CAC ORO VERDE	Café	37
	Moyobamba	San Martín	APAVAM	Café	38
	Nueva Cajamarca	San Martín	APAVAM	Café	39
	Shatoja	San Martín	CAS EL DORADO	Cacao y Café	40
	San Martin Alao	San Martín	CAS EL DORADO	Cacao y Café	41
	Chazuta	San Martín	CAC ORO VERDE	Cacao	42
	Aguanomuyuna	San Martín	CAC ORO VERDE	Cacao	43
Urahuasha	San Martín	CAC ORO VERDE	Café	44	
Pongo de Caynarachi	Yurimaguas	Loreto	PALMITO ALIANZA y FONGAL	Palmito y Ganaderia	45
	Cuñumbuque	San Martín	Lacteos San Martín	Ganaderia	46
	Zapatero	San Martín	Lacteos San Martín	Ganaderia	47
	Bonilla	San Martín	PALMITO ALIANZA	Palmito	48

Zone	Community	Región	Organization/Business	Crops	Order
	Pongo de Caynarachi	San Martín	PALMITO ALIANZA	Palmito	49
	Alianza	Loreto	PALMITO ALIANZA	Palmito	50
	Alto Amazonas	San Martín	PALMITO ALIANZA	Palmito	51
Tocache	Tocache	San Martín	CAC TOCACHE, MOLINO LA SELVA, MOLINO SAN JUAN, OLPESA, CAC LA DIVISORIA	Cacao, Ganadería, Palma Aceitera, Platano, Café y Arroz	52
	Nueva Bambamarca	San Martín	ASPROC	Cacao	53
	Nuevo Horizonte	San Martín	CAC CACAO	Cacao	54
	Villa Palma	San Martín	OLPESA	Palma Aceitera	55
	Tananta	San Martín	OLPESA	Palma Aceitera	56
	Uchiza	San Martín	AGDUO, APCU	Cacao, Ganadería y Arroz	57
	Santa Lucia	San Martín	ASLUSA	Palmito	58
Aucayacu	Santa Lucia	Huanuco		Naranja, Platano	59
	Rupa Rupa	Huanuco	CAC LA DIVISORIA, NARANJILLO	Café y Cacao.	60
Tingo María	Pumahuasi	Huanuco	CAC LA DIVISORIA, NARANJILLO	Cacao	61
Padre Abad	Centro Yurac	Huanuco	MERCADO LOCAL, Y LIMA	Platano	62
	Villa Aguaytía	Huanuco	MERCADO LOCAL, Y LIMA	Platano	63
	Santa Rosa	Huanuco	MERCADO LOCAL, Y LIMA	Platano	64
	Mariscal Cáceres	Huanuco	MERCADO LOCAL, Y LIMA	Platano	65
	Nuevo Progreso	Huanuco	MERCADO LOCAL, Y LIMA	Platano	66
	Mebadañon	Huanuco	MERCADO LOCAL, Y LIMA	Platano	67
	Shambillo C.P. El Boquerón	Huanuco	OLPASA	Palma Aceitera	68
Ucayali	Bajo Rayal Nueva Piura	Ucayali	COOPERAT. NARANJILLO	Cacao	69
	San Miguel de Semuya	Ucayali	MERCADO LOCAL	Caña de Azucar	70
	Flor del Valle	Ucayali	MOLINO YEN	Arroz	71
	Nuevo Paraiso	Ucayali	MOLINO AGUILAR, MOLINO BARBARAN	Arroz	72

Zone	Community	Región	Organization/Business	Crops	Order
Curimana - Irazola	San Alejandro	Ucayali	MUNICIPIO DISTRITAL	Cacao, Ganadería	73
Campo Verde	Campo Verde	Ucayali	MOLINO AGUILAR, MOLINO BARBARÁN	Arroz, Palma Aceitera	74
Puerto Inca	Caserío Nuevo Trujillo	Ucayali	MERCADO LOCAL, HUÁNUCO Y LIMA	Ganadería	75