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EXECUTIVE SUMMARY

This contract year (1 October 2009- 30 September 2010) was marked by a multitude of achievements, new activities and aggressive promotion of the Program to a diverse international audience.

Expansion of Post Eradication in Ucayali

Despite adverse social conditions and resistance from cocalero and narcotrafficking groups in Tocache, Paraíso and Uchiza, the Program demonstrated that it could provide a model to create conditions for the transition to the licit economy in the wake of programmed eradication by CORAH in these regions. Due to this success to date, the Program began the replication of this model in Ucayali during the reporting year. CORAH began eradication in the areas of Campo Verde, San Alejandro and Von Humboldt in March 2010; between this time and October, it eradicated 2,284 hectares of coca. During the ensuing months, the Program successfully signed 31 communities with 955 families. At present, there are activities underway pertaining to the establishment of 1,855 hectares of licit crops, 250 hectares of which are already in nurseries. The post eradication model in Ucayali enjoyed immense support from the Ucayali Regional Government, which sponsored a number of community signing ceremonies and which worked closely with the Program to orient agricultural technical assistance and economic infrastructure investment in these areas. This post eradication intervention is the top programmatic priority during the next phase of the Program and all resources will be brought to bear in order to make it successful as circumstances evolve.

Work with Strategic Partners

This reporting year saw an increase in strengthening of relations with strategic partners such as local and regional governments, private enterprise and producer associations. The deepening of relations also yielded more investment in Program areas, increased promotion of products and helped producer organizations begin to position themselves as market actors.

Increased Public Investment. The reporting year marked more intense work with local and regional governments. In contrast to the \$1.02M in public investment leveraged in the prior reporting year, the Program successfully leveraged \$13.9M in the reporting year, the majority of which was for economic and social infrastructure and other agricultural projects in alliance with regional and local governments. Training with communities and municipalities in the Participatory Budget process and support for competitive funds yielded an increase of public investment in Program areas. This will continue to be a key strategy to increase participation of the public sector in Program areas.

Program Efforts in the Spotlight. The importance of participation in regional and national level events to promote products and Program-supported organizations was afforded special attention. During the reporting year, the Program worked with a variety of private and public institutional partners to actively participate in 4 major national-level events: ExpoAmazónica Fair, Mistura, ExpoAlimentaria and the 1st Salón de Cacao and Chocolate. These events helped showcase many products from Program

areas such as cacao, chocolate, palm, coffee and many others. Additionally, many Program-supported organizations were assisted in order to sharpen their commercial presentation skills for this important exposure to new clients and markets.

Strengthened Organizations. In addition to organizing farmers for more structured price negotiations and other benefits, successful producer organizations must have ample membership and effective management capacity. To this end, the Program focused efforts on both of these key elements of organizational success. Of the 31 organizations strengthened by the Program, 30% substantially increased their level of management capability with the development of business plans and strategies. These organizations currently have over 13,500 members, of which over 8,000 are Program participants. The Program also sponsored leadership training for 90 leaders within these organizations to develop a more robust entrepreneurial vision in our strategic partners. At the community level, the Program organized over 4,100 farmers into producer committees this year, bringing the current total to over 9,100 organized producers. These committees will subsequently seek to ally themselves with both private buyers and producer organizations.

Contract Targets

As we take stock at the end of this year, it is important to highlight the consistent training and accompaniment of over 24,000 small farmers during the last three reporting years that resulted in the successful establishment of 27,758 hectares of licit crops. This total to date surpassed the contract target of 24,000 hectares. Additionally, despite adverse conditions such as a four month drought that affected yield levels as much as 30% in some areas of San Martín and Ucayali, crop yields surpassed or almost achieved contract targets. Target yields will continue to be monitored through the end of the project life. To date, cacao yields are at 770 kg/ha., more than 100 kg/ha. higher than the national average. The average coffee crop yield of 19.6 qq./ha. surpassed the contract target of 17 qq./ha. Finally, both oil palm and palm heart yields surpassed contract targets with 15.7 MT and 5,286.9 *chontas*/ha., respectively. High crop yields and new hectares are the product of arduous and persistent training and supervision efforts with thousands of farmers. Training and supervision were undertaken utilizing a variety of methods, from on-site visits, group training sessions and Farmer Field Schools. The Program employed innovative methods to provide incentives, such as competitions to plant new hectares and farmer promoters to teach fellow producers about the benefits of fertilization, effective crop handling and environmental management. The Program's efforts will concentrate on methods to continue to provide farmers access to credit in order to continue to invest in their land with fertilizers and post harvest infrastructure to improve quality.

Diplomatic Visits and Recognition

Since its inception, the Program has had the opportunity to host many dignitaries from USAID, the Peruvian government and the U.S. Embassy. Two visits this year from State Department officials underscored the success to date as well as the attention the San Martín model has generated in policy circles in Washington, DC. These visits afforded unique opportunities to position the Program in international media and draw attention to USAID accomplishments in Peru. In January, Mr. James Steinberg, Deputy Secretary of State, visited Tarapoto. Later in April, Arturo Valenzuela, Undersecretary of State for Western Hemisphere Affairs, also visited the same

important urban area. Both dignitaries came to learn about the success and challenges of the San Martín development model. During their respective visits, they both had the opportunity to meet with farmers, producer organizations, private enterprise representatives and government officials that have worked in concert to improve the economic and social conditions in this region. Both visits generated a variety of media attention, including articles in CNN and *Time* magazine, as well as a number of other international and domestic media outlets. These visits were excellent opportunities to demonstrate the effectiveness of alternative development. The use of a model that unites the public and private sectors to leverage investment as well as communities and their economic and social organizations helps to provide a robust range of opportunities and lays the groundwork for sustainable development.

CHAPTER 1: ECONOMIC DEVELOPMENT

Establishment of New Hectares

At the end of this reporting year, the Program established a cumulative total of 27,758 hectares (has), surpassing the total Prime Contract target of 24,000 hectares by over 15% (see Table 1 below). A total of 9,682 hectares were established during this year.

Table 1. New Hectares Established

Target	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
24,000	9,887	9,682	27,758	115.7%

Of the newly established hectares, Table 2 below illustrates the detail by region.

Table 2. New Hectares Established by Regional Office

Regional	No. Communities	No. Families	Cacao (Has.)	Coffee (Has.)	Oil Palm (Has.)	Pijuayo (Has.)	Total Has. Established
SAN MARTIN	474	12,444	16,105	1,514	0	1,224	18,843
UCAYALI	227	3,656	4,642	439	1,129	3	6,212
TINGO MARIA	97	1,776	2,149	553			2,702
TOTAL	794	17,725	22,896	2,506	1,129	1,228	27,758

Table 3. Detail of Hectares Established by Region and Zone Offices

Regional Office	Zone Office	Target	Prior Reporting Year	Present Reporting Year	Cumulative Total	% Progress
SAN MARTIN	JUANJUI	3,176.8	2,247.4	909.6	3,579.3	112.7%
	BELLAVISTA	2,377.8	1,795.7	539.9	2,771.2	116.5%
	TARAPOTO	2,607.5	1,807.3	950.7	3,129.3	120.0%
	PONGO DE CAYNARACHI	1,618.6	788.3	865.0	2,151.7	132.9%
TINGO MARIA	NUEVO PROGRESO-PARAISO	1,318.6	413.2	959.0	1,489.2	112.9%
	TINGO MARIA	1,024.1	338.4	813.0	1,212.8	118.4%
TOCACHE	TOCACHE	2,550.1	362.5	485.0	2,969.4	116.4%
	UCHIZA	1,327.0	416.3	679.5	1,622.2	122.2%
	POLVORA	2,069.3	410.0	465.0	2,620.3	126.6%
UCAYALI	CAMPO VERDE - PUERTO INCA	2,274.0	392.9	1,196.9	2,188.4	96.2%
	CURIMANA-IRAZOLA	2,111.5	276.1	1,286.3	2,536.4	120.1%
	AGUAYTIA	1,544.7	638.8	531.7	1,487.6	96.3%
	TOTAL	24,000	9,887	9,682	27,758	115.7%

Source: PDA M&E System 5/10/2010

The establishment of new hectares was the most investment-intensive activity during the reporting year as well as the base period of the prime contract. As such, it is

important to mention factors that both promoted the successful achievement of the target as well as posed challenges.



Photo: Día de Campo participants

Positive Factors

- 1) Persistence and commitment of farmers to install new hectares and manage them responsibly.
- 2) Effective technical assistance to facilitate best crop establishment practices
- 3) Program support with inputs (seeds, tools, etc.)
- 4) Profitable cacao market prices provided positive incentives.
- 5) Alliances and investment from local and regional governments in technical assistance and inputs investment

Challenges

- 1) A prolonged drought from October 2009 until January 2010. This drought affected San Martín and Ucayali, both decreasing potential productivity levels and delaying grafting and other processes crucial to crop health. An estimated 20% of producers were adversely affected by grafting delays which they will seek to recuperate in the 2010/2011 growing season.
- 2) Fertilization is an integral issue to future crop productivity, and a practice that only recently has begun to form part of the smallholder farmer's lexicon. The Program began a concerted campaign to diagnose fertilizer needs and will continue to address them through the life of the project through direct investment and facilitation of credit opportunities.

Increase in Crop Productivity

A second key target was crop productivity levels. It is worth noting that while cacao productivity is at 90% of the target for reasons mentioned above, this yield is above the national average for productivity. Table 4 details productivity yields for the reporting year.

Table 4. Crop Productivity Levels

Crop	Target	Unit	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
Cacao	800	Kg/Ha.	770	719.4	719.4	90%
Coffee	17	qq/Ha.	16.85	19.6	19.6	115%
Oil Palm	15	TM/Ha.	14.92	15.7	15.7	105%
Palm Hearts	5,000	Chontas/Ha.	5189	5,286.9	5,286.9	106%

Source: M&E System 5/10/2010

Below we discuss information relevant to the development of the key alternative development crops.

Cacao

As we can see from Table 4 above, the parcels utilized in the sample for productivity registered an average of 719 kg/hectare.

Challenges to attaining target productivity of 800 kg/ha. included:

- The prolonged drought between October 2009 and January 2010 that affected production rates at an estimated 30% in almost 4,000 hectares of cacao in San Martín and Ucayali.
- The nascent status of the culture of fertilization. Many farmers (approximately 75% of sample areas) have only begun to utilize fertilizers in the last year or two.



High yield cacao in Tocache (3,800 kg/ha.)



Cacao growers in Chazuta (Isla Shilcayo)

To assist in increasing productivity, the Program has designed a special fertilizer program to meet these needs and works with financial entities to design special credits for fertilizers and other inputs. Other measures include:

- Agricultural extension program oriented toward adoption of fertilizer technology, shade management and treatment of diseases
- Use of demonstration parcels to illustrate the benefits of fertilization and best practices
- Experience exchanges to expose producers to high-yield cacao parcels. This includes parcels with drip irrigation to mitigate adverse effects of drought



Drip Irrigation Infrastructure in Balsa Probana (Tocache)

Coffee:

The yield in the parcels sampled surpassed the target of 17 quintales/ha. by over 15% as seen in Table 4 above.

Factors that permitted the achievement of optimal productivity levels:

- Appropriate crop management and density (despite drought in San Martín)
- Effective use of soil nutrient enhancers and fertilization technology.

In order to maintain these yields, the Program will continue to promote the appropriate use of fertilizers as well as effective crop management to avoid plagues and maintain density and plant health.

Oil Palm:

The yield in the parcels sampled surpassed the target of 15 TM/ha. by over 5%.

Factors that permitted the achievement of optimal productivity levels:

- High level of organization of palm growers and adequate crop management as well as employment of effective fertilization techniques.
- Availability of credit for fertilizers through palm growers associations

Pijuayo

The registry of 100% of sample parcels reflected yields exceeding 5,000 *chontas* per hectare.

Despite 7 months (December 2009- June 2010) of problems in commercialization and low prices (S/.44 per *chonta* compared to S/.70 and S/1.2 in previous years), Alianza, S.A., the prime *pijuayo* vendor continued to work with its members to produce quality yields and seek new market opportunities.

Technology Transfer and Training

The cornerstone of sustainability in agricultural activities is the training of producers in best agricultural practices. This is done through a variety of methods that create economies of scale, take advantage of local knowledge and rely on farmers' skills and leadership to deepen networks and learn from each other. During the reporting year, the Program undertook a variety of activities to promote this participatory focus.

Competitions

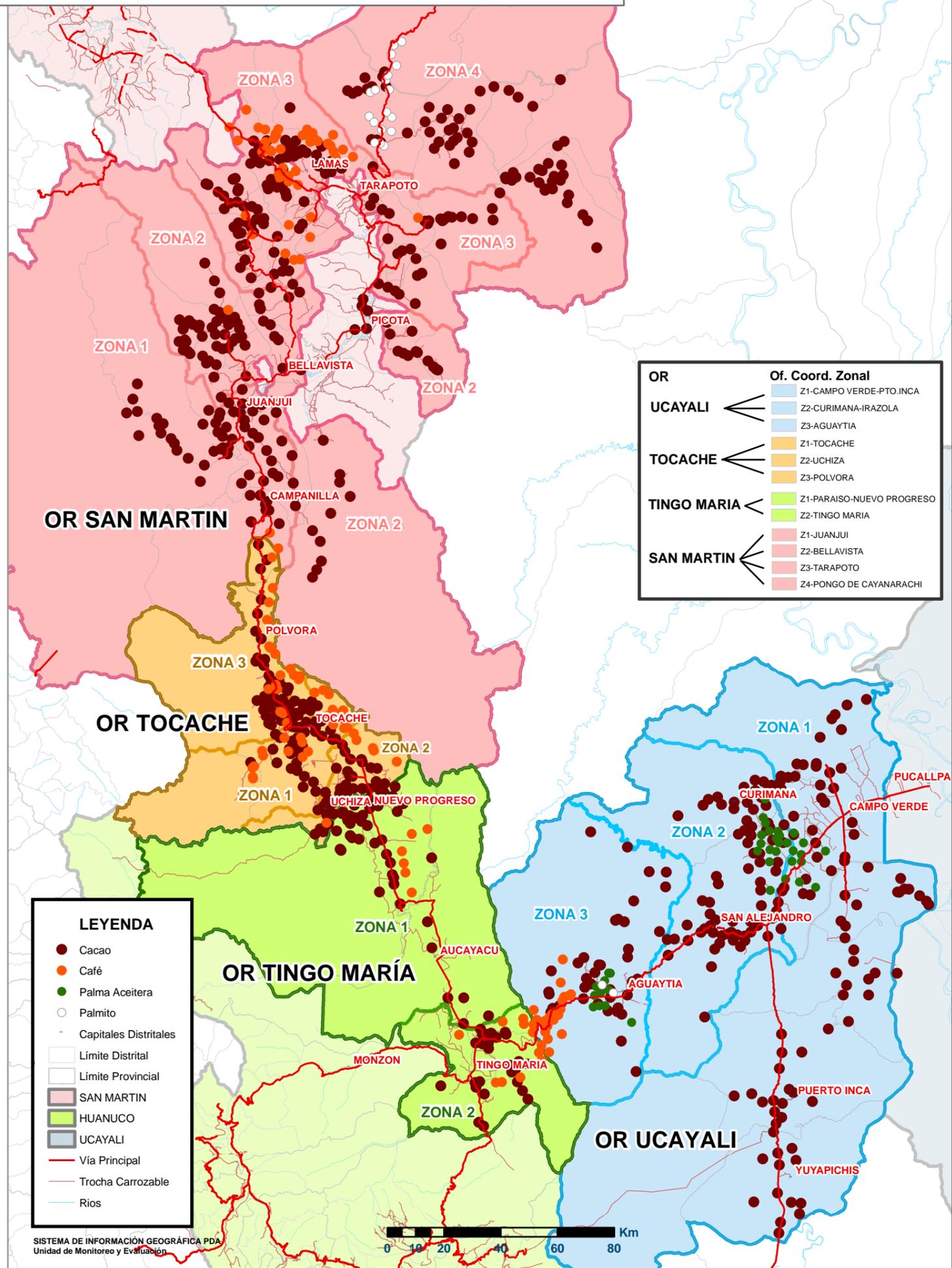
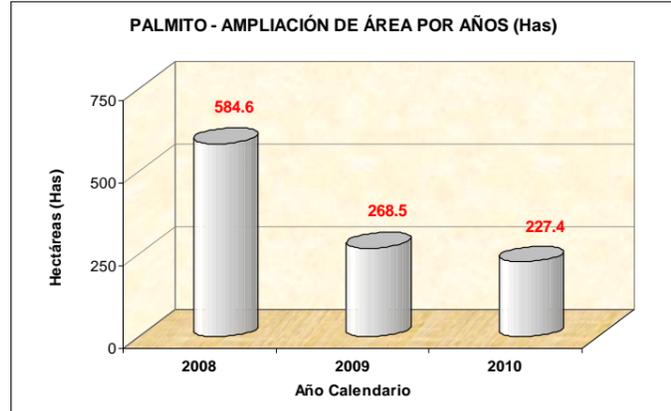
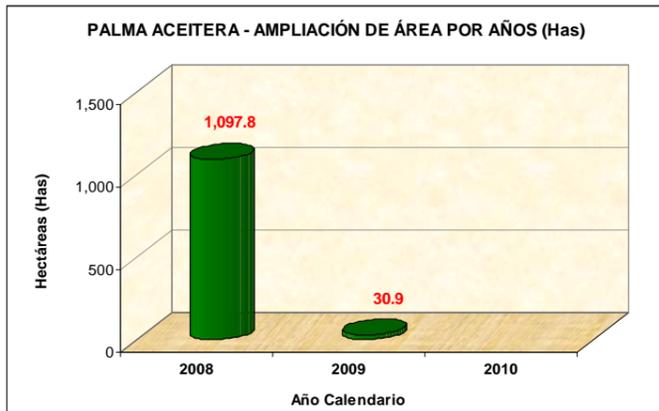
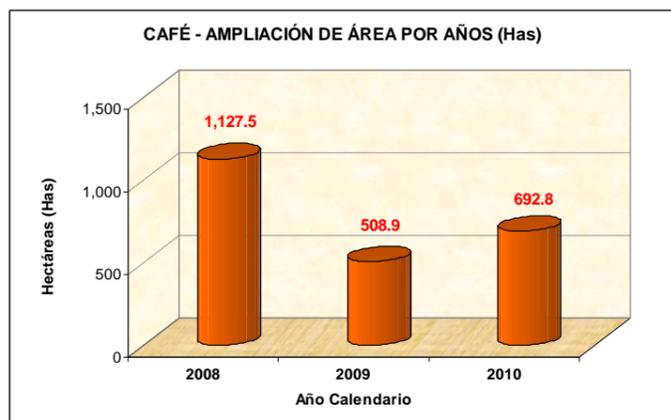
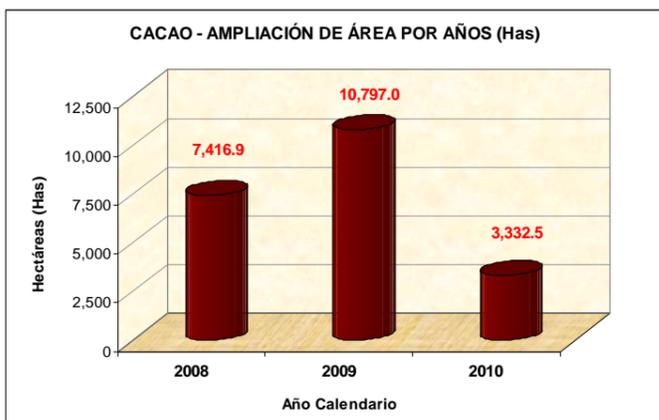
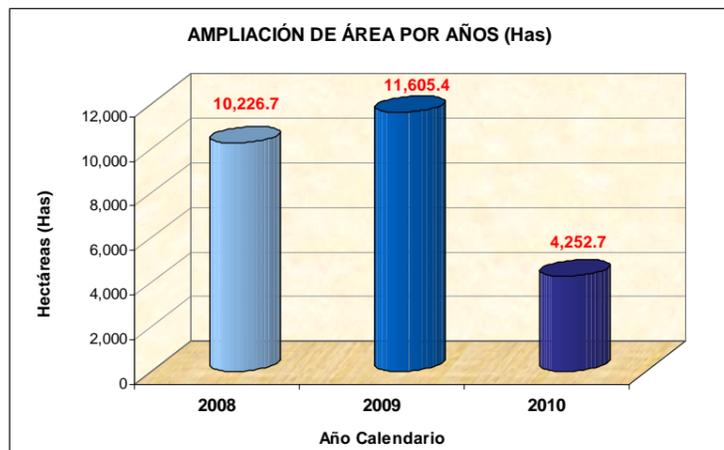
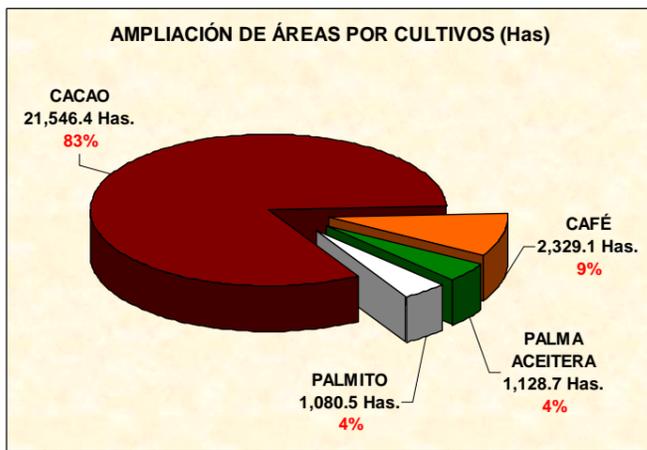
Competitions are an excellent method to provide incentives to farmers to adopt best practices – especially when they see their neighbors achieving better results. Three major competitions were sponsored for more than 4,000 producers.

“Applying Best Practices on My Farm”:

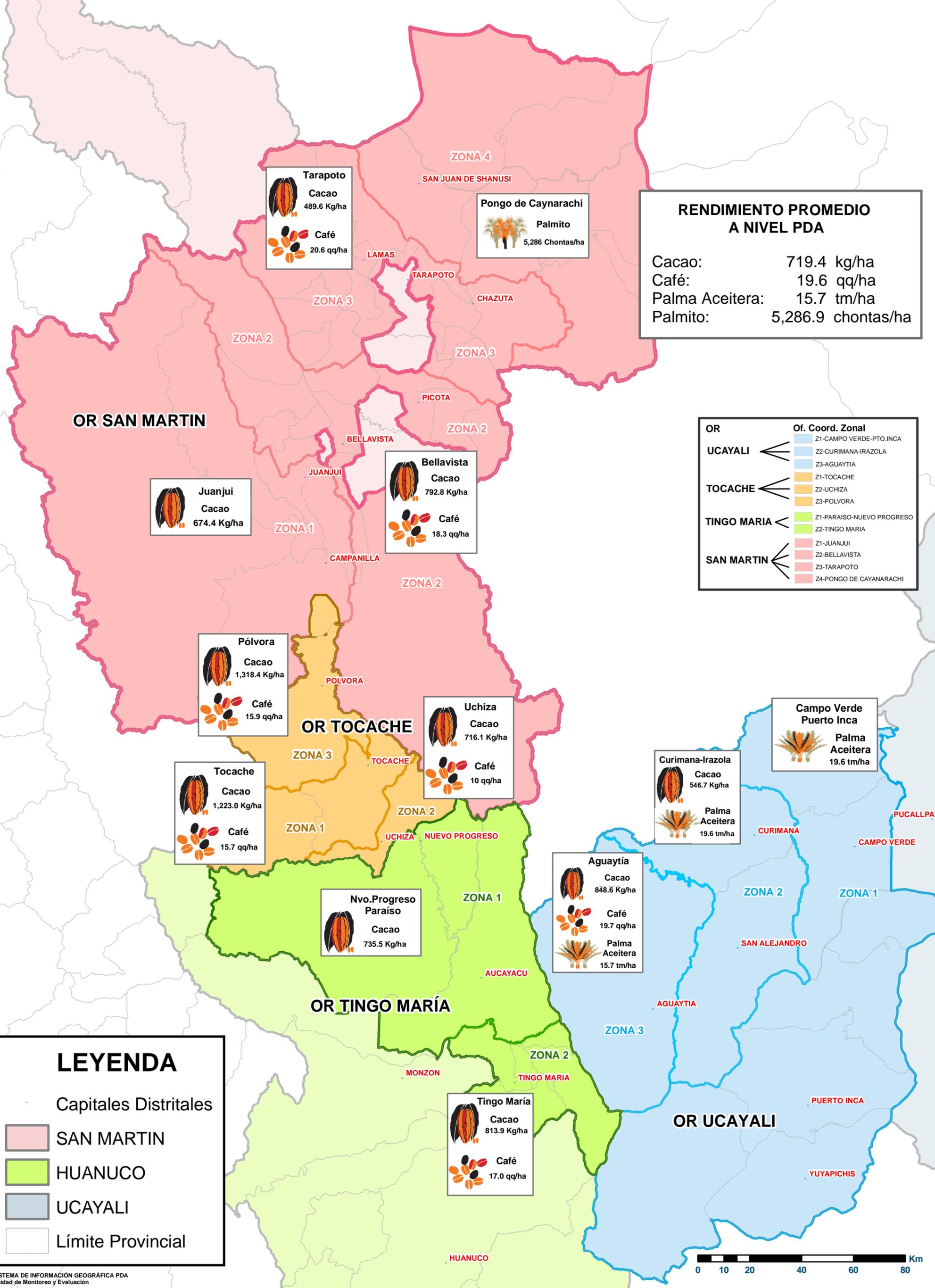
- This competition mobilized over 3,000 producers in 356 communities in San Martín, Huánuco and Ucayali via “Días de Campo” where farmers were taught best practices on their neighbors' farms.
- Techniques included:
 - Grafting

AMPLIACION DE ÁREAS EN CULTIVOS LÍCITOS

AMPLIACIÓN DE ÁREAS POR OFICINA REGIONAL						
Dirección Regional	Coordinación Zonal	Total Ampliación de Áreas (Has)	Ampliación de Áreas (Has)			
			Cacao	Café	Palma Aceitera	Palmito
SAN MARTÍN	JUANJUI	3,326.1	3,326.1			
	BELLAVISTA	2,643.2	2,639.3	4.0		
	TARAPOTO	3,049.5	2,620.8	428.8		
	PONGO DE CAYNARACHI	1,987.4	910.2			1,077.2
Total SAN MARTÍN		11,006.3	9,496.4	432.7		1,077.2
TINGO MARÍA	NUEVO PROGRESO-PARAÍSO	1,376.6	1,278.9	97.8		
	TINGO MARÍA	1,062.5	727.9	334.6		
Total TINGO MARÍA		2,439.1	2,006.7	432.4		
TOCACHE	TOCACHE	2,889.2	2,374.6	514.6		
	UCHIZA	1,563.9	1,270.4	293.5		
	PÓLVORA	2,538.0	2,315.3	222.8		
Total TOCACHE		6,991.1	5,960.3	1,030.9		
UCAYALI	CAMPO VERDE - PUERTO INCA	2,148.3	1,873.3		275.0	
	CURIMANA-IRAZOLA	2,034.1	1,553.1		481.0	
	AGUAYTIA	1,465.8	656.6	433.2	372.7	3.3
Total UCAYALI		5,648.2	4,083.0	433.2	1,128.7	3.3
Total PDA		26,084.7	21,546.4	2,329.1	1,128.7	1,080.5



RENDIMIENTO PROMEDIO DE LOS CULTIVOS APOYADOS POR EL PROGRAMA



- Fertilizing
- Pruning
- Fabrication of organic nutrient compounds
- Nursery management
- An evaluation committee visited over 3,000 parcels that utilized these best practices and selected 431 winners.



Evaluators interviewing participants in technology adoption competition

“Grafting My Crops Effectively”:

- This competition was held in the zone offices of Tocache, Pólvora, Uchiza and Nuevo Progreso, to improve grafting techniques among over 900 farmers.
- Of the participants, 222 (24%) achieved improved grafting shoots during the two month duration of the competition and many more hope to replicate this success in the coming months.
- This competition helped provide a positive incentive for the grafting of 981 hectares of cacao



Photo1: Grafting Competition in La Florida; Photo 2: Awarding of Tools in Grafting Competition; Photo 3: Training for Competition Participants

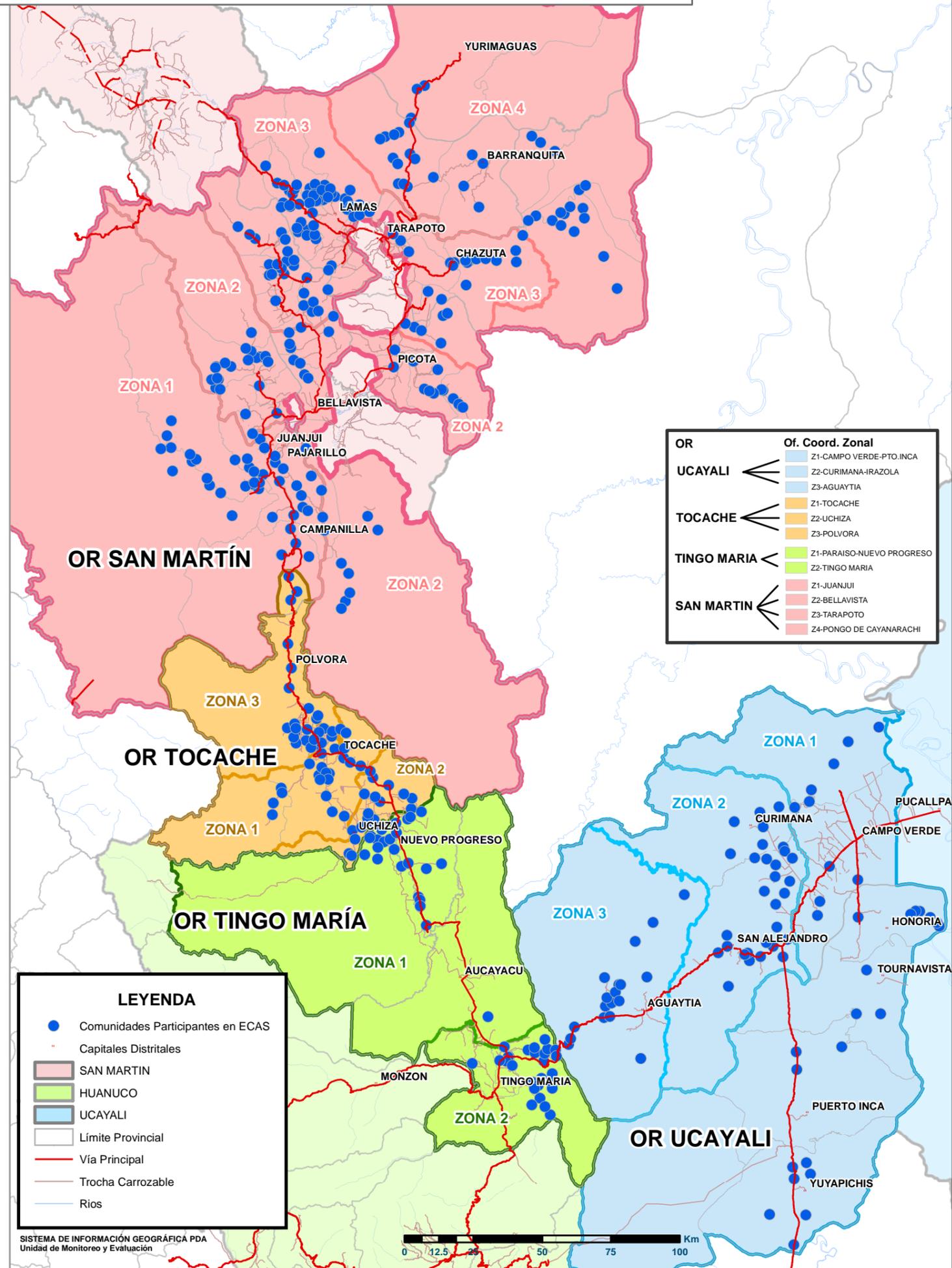
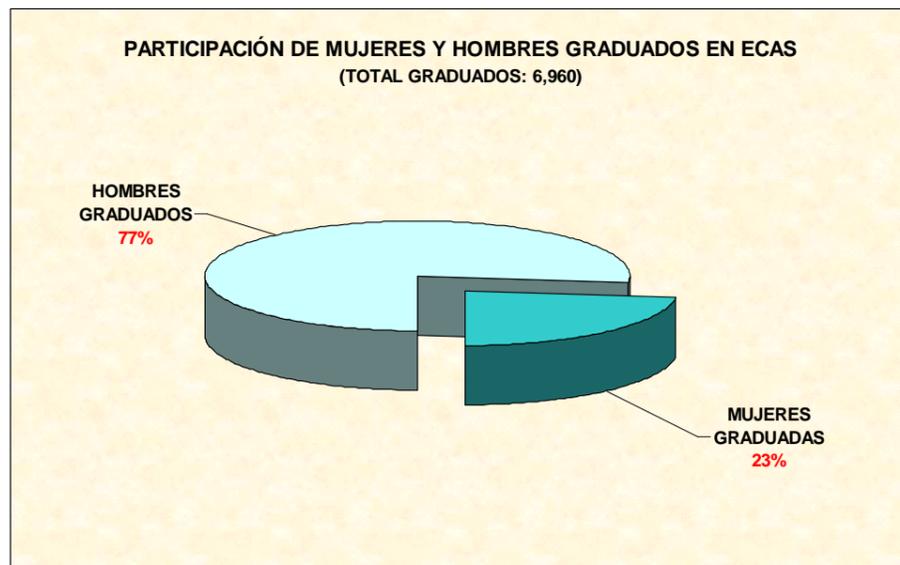
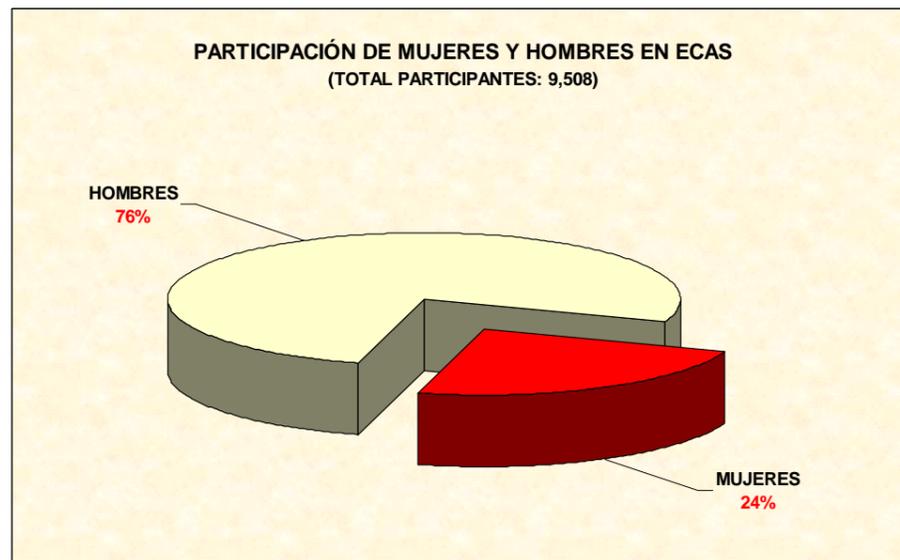
“Increasing Knowledge and Sharing Experiences”

In order to reach farmers in more isolated areas, the Program sponsored an experience exchange in which many producers were able to share experiences with farmers possessing optimal yields and employing effective crop management.

COMUNIDADES PARTICIPANTES EN ESCUELAS DE CAMPO

ESCUELAS DE CAMPO (ECAS) POR OFICINA REGIONAL

DIRECCIÓN REGIONAL	COORDINACIÓN ZONAL	N° ECAS	N° DE COMUNIDADES PARTICIPANTES EN ECAS	TOTAL PARTICIPANTES	N° PARTICIPANTES					
					GRADUADOS		DESAPROBADOS		ECAS NO CONCLUIDAS	
					HOMBRES	MUJERES	HOMBRES	MUJERES	HOMBRES	MUJERES
SAN MARTIN	JUANJUI	58	50	1,489	861	337	217	74		
	BELLAVISTA	39	45	919	765	94	51	9		
	TARAPOTO	107	98	1,953	887	131	27	3	802	103
	PONGO DE CAYNARACHI	54	37	1,080	630	203	142	105		
TOTAL SAN MARTIN		258	230	5,441	3,143	765	437	191	802	103
TINGO MARIA	NUEVO PROGRESO-PARAISO	27	28	553	318	93	72	33	22	15
	TINGO MARIA	30	28	630	411	134	60	25		
TOTAL TINGO MARIA		57	56	1,183	729	227	132	58	22	15
TOCACHE	TOCACHE	30	27	578	309	201	37	31		
	UCHIZA	18	16	414	193	90	91	40		
	POLVORA	21	19	402	241	104	39	18		
TOTAL TOCACHE		69	62	1,394	743	395	167	89	0	0
UCAYALI	CAMPO VERDE - PUERTO INCA	30	30	477	265	77	34	15	65	21
	CURIMANA-IRAZOLA	27	30	590	317	84	69	39	50	31
	AGUAYTIA	15	18	423	162	53	116	64	16	12
TOTAL UCAYALI		72	78	1,490	744	214	219	118	131	64
GRAN TOTAL		456	426	9,508	5,359	1,601	955	456	955	182





Photos: Farmer Promoters with their students in Tingo María

- This experience was undertaken in Bellavista and Aguaytia, where yields tend to be lower and distance proves to be a formidable obstacle for knowledge sharing
- Farmer Field School graduates undertook 5 training sessions with over 400 farmers and then selected 100 top-performing farmers to continue training sessions with other farmers in neighboring communities.

In this way, knowledge was spread among farmers and producers themselves became instructors. This use of local knowledge and actors is an effective way to spread knowledge on the ground.

Promoter Training

The Program facilitates this process as a method to impart knowledge to other farmers, who will, in turn use their own parcels as demonstration plots to instruct their neighbors.



Photos: Café Perú: Training and Diploma Ceremony for Promoter Training Course

- The training program included 6 modules of 40 academic hours each with topics including Leadership, Agricultural Extension and Crop Management.
- The promoters were evaluated based on their knowledge from each module, their performance during the “Días de Campo” activities with other farmers and the practices employed in their own land parcel.
- One hundred and seventy nine participants received certifications; the top 27 cacao promoters were awarded an experience exchange with colleagues in Ecuador and 6 coffee promoters shared experiences with their colleagues in Brazil in October 2010.
- The group of 179 promoters formed 5 different agricultural extension associations that are qualified to provide efficient technical assistance as well as soil conservation and environmentally friendly crop management techniques.

Farmer Field Schools

The FFS method is a highly participatory method of technology transfer and has been the cornerstone of Program technical assistance. This year, over 9,500 participants concluded more than 456 FFS in 426 communities. Of these 9,500, 957 men and 456 women successfully graduated



Photo 1: Award Ceremony for Farmer Field School; Photo 2: Award Ceremony for Farmer Field School; Photo 3: Farmer Field School in Session in Pongo de Caynarachi, San Martín

Due to the importance of the FFS, the Program plans to implement 250 new cycles with a social/productive focus

Technical Meetings

This type of structured consultation meeting utilized with communities in Tocache is effective to establish priorities and gauge interest. These sessions were held to discuss fertilization practices and prospects for cacao and coffee. Success in these sessions was determined by having active participation with not only community members, but representatives from cooperatives, agricultural leaders and promoters and presence of local agricultural institutions.



Photos: Technical Meetings in Communities in Tocache

Fertilization Programs

In consultation with agricultural promoters and extensionists, the Program designed fertilization plans for each zone based on soil conditions and availability of nutrients in each area. Additionally, technical assistance staff from the Program-supported cooperative that provide extension services to Program participants received an orientation in basic fertilization techniques and principles. In order to deepen understanding and expand employment of fertilization technology, initial work for the establishment of 655 demonstration parcels began at the end of this reporting year. This important effort will be undertaken with the active participation of 455 producers and 200 agricultural promoters.

VALUE CHAINS

During the reporting year, activities of the Value Chain component were oriented toward:

- i) Improving the levels of membership and strengthening the management capacity of producer organizations;
- ii) Coordinating with national level unions and strategic Partners to position key products
- iii) Improving commercial links and access to markets for producer associations

All activities were undertaken with the principal actors of the cacao, coffee, oil palm and dairy products value chains. The prices for most products promoted by the Program maintained profitable levels and promotion efforts in events such as **Expo Amazónica, 1er Salón del Cacao y Chocolate 2010, Mistura** and **Expo Alimentaria 2010** helped strengthen commercial links with important market actors.

R.1.2 Increased Management Capacity of Producer Organizations

Management Strengthening of Producer Organizations

The Program worked with 31 producer organizations during the reporting year and successfully assisted 9 organizations in improving their status in the classification system designed to measure key management indicators. Actions that enabled improvement included activities to increase membership and the development of business plans.

Of the 31 organizations supported, 14 form part of the cacao value chain, 5 pertain to coffee activities and the remaining 12 undertake activities related to plantain, oil palm, palm hearts and dairy products.

Table 5: Classification of Organizations Supported by Program

Region	Total No. Organizations	Classification		
		Incipient (Level 1)	In Process (Level 2)	Consolidated (Level 3)
Huánuco	7	2	3	2
Ucayali	6	1	4	1
San Martín	18	2	14	2
Total	31	5	21	5

Table 6: Number of Organizations that Improve their Management Capacity

Target	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
15	6	9	19	127%

During the reporting year, the Program supported a cumulative total of 31 organizations, 18 of which were supported in prior years and 13 of which began receiving support during this year. Please see Annex 13 for a complete list of organizations supported.

The Program implemented strategies to strengthen institutional and entrepreneurial aspects of producer organizations. These strategies were developed jointly with the organizations themselves in order to best meet their necessities. Examples of these strategies include:

- Formalization of 8 producer associations and 2 cooperatives
- Strengthening of accounting and tax systems, as well as internal financial controls
- Development of management Tools such as business plans for nascent producer associations
- Training for commercial cacao buyers (*acopiadores*) in fermentation Systems, registration for commercial purchases, post harvesting technology and cacao seed analysis
- Formulation of Business plans and proposals for competitive funding from programs such as PCC (Programa de Compensaciones para la Competividad). Three nascent groups, La Asociación Juan Velasco Alvarado, Agroflora and ASPROC NBT, successfully obtained access to these funds.
- Organizational and commercial strengthening that enabled Asociación de Productores de Palmito Alianza - APROPAL to obtain the Fair Trade seal and initiate the process for HACCP certification for export-quality.

Leadership Training for Producer Organizations

During this year, the Program sponsored 3 Leadership Training Schools to train 90 leaders from 6 producer organizations.

Table 7: Organizations and Number of Participants in Leadership Schools

Regional Office	Organization	N° Participants	No. Graduates	No. Leaders in Training
Tingo María	CAI Naranjillo	30	24	0
Tocache	CA Tocache, ASPROC NBT, APCU y CP CACAO	30	28	8
Ucayali	COCEPU	30	0	30
TOTAL		90	52	38

Each Leadership School utilizes 8 modules that help reinforce effective management practices. Skills include:

- Human Resources
- Basic Cooperative Law
- Strategic Planning for Cooperatives
- Technical and Administrative Supervision
- Increasing Membership
- Participatory Representation Mechanisms
- Communication and Media
- Financial Management

The Program undertook a similar training for 64 leaders at the producer committee level (in communities) in Tingo María and Ucayali, in order to strengthen these base-level organizations.

Table 8: Producer Committee Leadership Training

Regional Office	Communities	Nº Participants	No. Graduates	No. Leaders in Training
Tingo María	Nuevo Progreso y Paraíso	34	17	0
Ucayali	Campo Verde y Pucallpa	30	0	30
TOTAL		64	17	30

Increasing Membership in Producer Committees

Increasing membership in community producer committees is a key aspect of organization since many will later become members of producer associations. To this end, the Program organized 4,166 new producers in committees, which complemented the 5,009 existing number, for a total of 9,175 producers organized at the community level.



Training Session in San Juan Km 33 Ache



Training Session in Nuevo Jaen - Tocache

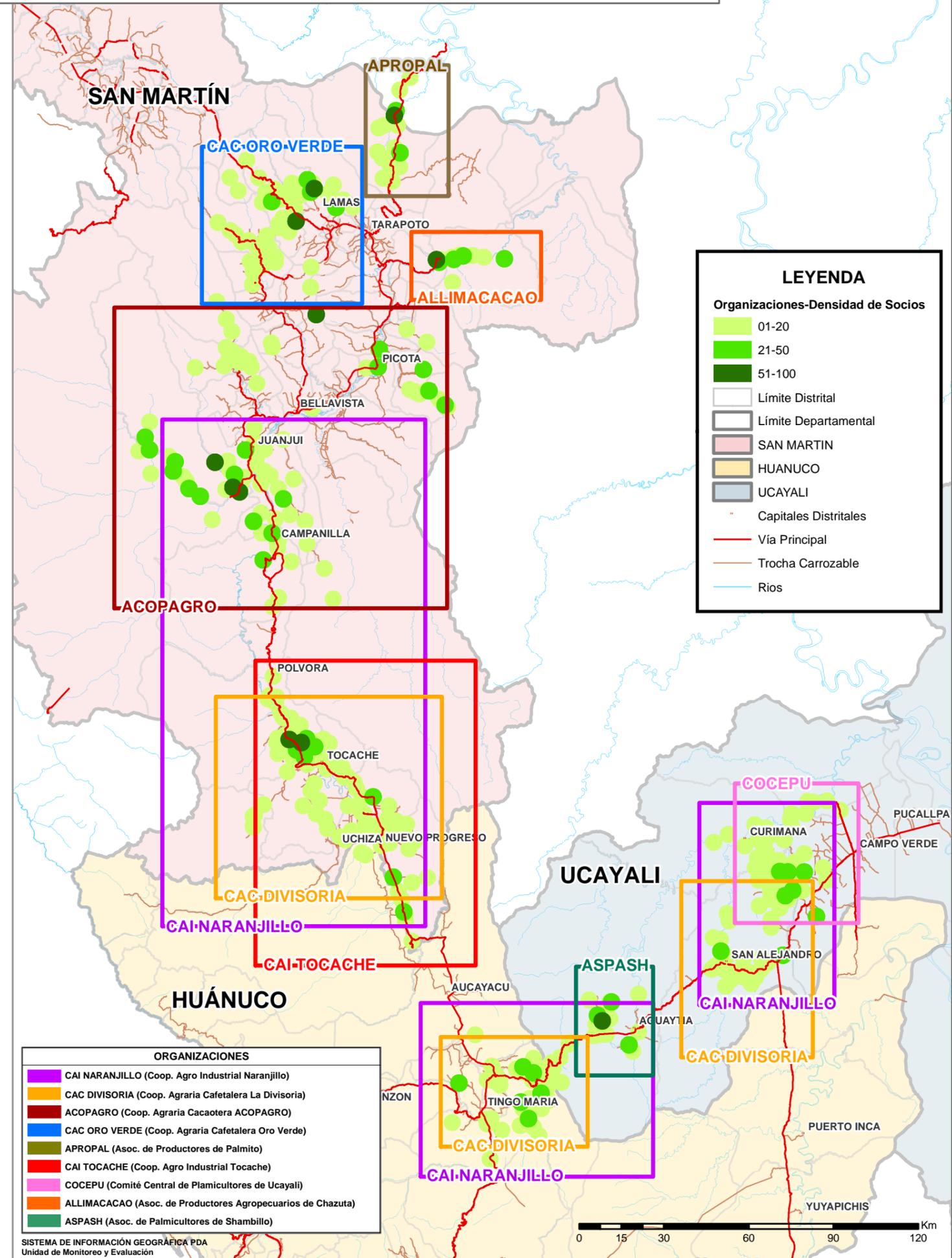
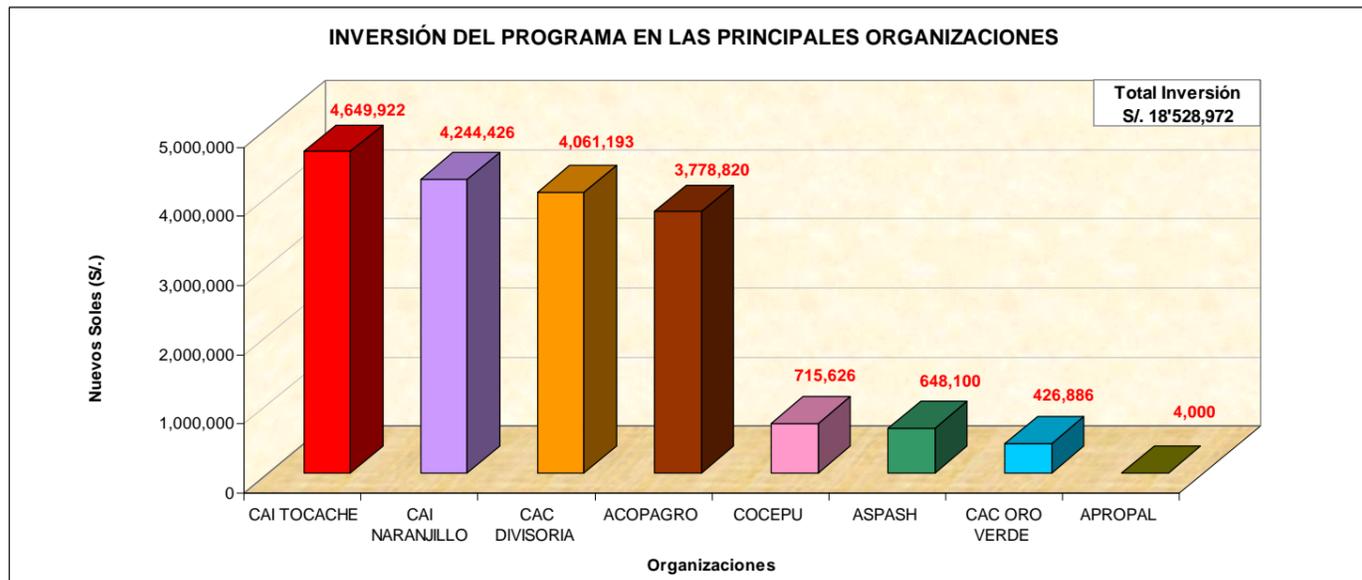
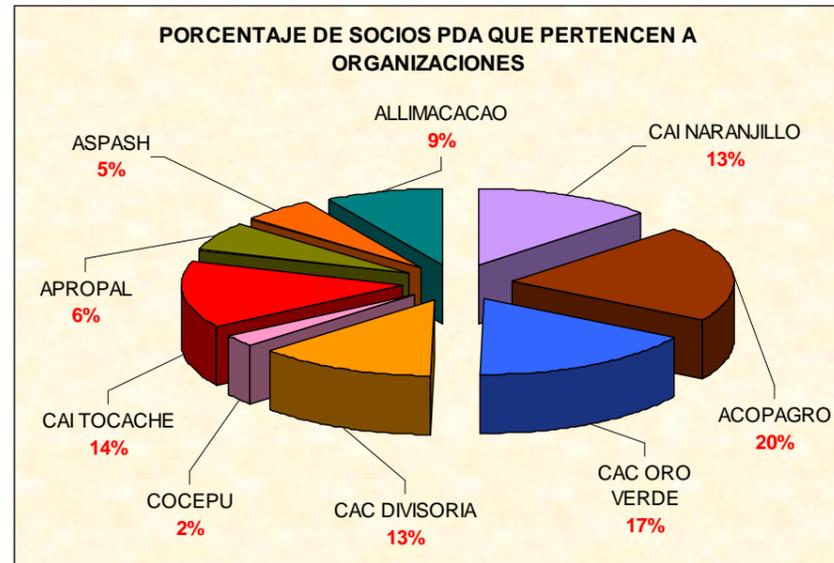
Table 9: Membership Levels by Reporting Year

REGIÓN	Membership by Program Year		
	PRIOR REPORTING YEAR	CURRENT REPORTING YEAR	CUMULATIVE
SAN MARTÍN	2878	3094	5972
HUANUCO	1079	821	1900
UCAYALI	1052	251	1303
TOTAL	5009	4166	9175

ÁMBITO DE PRINCIPALES ORGANIZACIONES DE PRODUCTORES

RELACIÓN DE PRINCIPALES ORGANIZACIONES DE PRODUCTORES Y SOCIOS

N°	ORGANIZACIONES	PRODUCTO	NUM. SOCIOS			INVERSIÓN DEL PROGRAMA
			TOTAL	PDA	No PDA	Monto Programado (S/.)
1	CAI NARANJILLO (Cooperativa Agro Industrial Naranjillo)	Cacao y Café	3,000	537	2,463	4,244,426
2	ACOPAGRO (Cooperativa Agraria Cacaotera ACOPAGRO)	Cacao	1,674	835	839	3,778,820
3	CAC ORO VERDE (Cooperativa Agraria Cafetalera Oro Verde)	Cacao y Café	1,197	687	510	426,886
4	CAC DIVISORIA (Cooperativa Agraria Cafetalera La Divisoria)	Cacao y Café	666	535	131	4,061,193
5	COCEPU (Comité Central de Plamicultores de Ucayali)	Palma Aceitera	510	100	410	715,626
6	CAI TOCACHE (Cooperativa Agro Industrial Tocache)	Cacao	612	573	39	4,649,922
7	APROPAL (Asociacion de Productores de Palmito)	Palmito	420	252	168	4,000
8	ASPASH (Asociacion de Palmicultores de Shambillo)	Palma Aceitera	286	217	69	648,100
9	ALLIMACACAO (Asociacion de Productores Agropecuarios de Chazuta)	Cacao	394	354	40	
TOTAL			8,759	4,090	4,669	18,528,972



Strengthening of National Level Organizations

Work with national level organizations centered on activities to strengthen the Junta Nacional de Café (JNC) and the Asociación Peruana de Productores de cacao (APPCACAO). Principle activities included:

Junta Nacional de Café

- Incorporation of 10 new member coffee organizations
- Implementation of coffee plantation rehabilitation program.
- Support for the organization of the VI Concurso Nacional de Cafés Especiales along with la Cámara Peruana de Café y Cacao and the Ministry of Agriculture

Asociación Peruana de Productores de Cacao – APPCACAO

- Program efforts helped APPCACAO become the most representative national level cacao organization to effectively channel commercial interests with public and private actors on the national and international stage.
- Support for the improvement of APPCACAO's quality control laboratory, which, in addition to commercial uses, is also employed to train staff from member organizations in quality improvement.
- Support for participation in the BIOFACH fair and the Salón de Chocolate in Paris, France.
- Support for the institutional webpage, which is utilized by member organizations and clients
- Successful efforts to institutionalize the Concurso Nacional de Cacao as a tool to promote production of quality cacao and best agricultural practices at the farm level.

Technical Roundtables

- In alliance with the Agencia Agraria, the Provincial Municipality of Tocache, DEVIDA and the District Municipality of Shunté, the Program supported the Technical Roundtable (Mesa Técnica) in Tocache which united 11 coffee organizations (cooperatives and private enterprise)
- Work continued to strengthen the Technical Roundtables for cacao and coffee in Tingo María and San Martín. These dialogue opportunities are important to channel resources, proposals and policies related to these important agricultural commodities.

R.1.3. Private Investment Promoted in Program Areas

To date, the Program has supported the forging of commercial relations between 11 businesses and organized producers in order to promote sustainable markets for Program products and increase investment in Program areas. This year, 4 new businesses began investing, principally in certification, post harvest technology and cacao purchasing.

Table 10: Private Investment in Program Areas

Target	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
10	4	4	11	110%

Table 11: Total Number of Businesses Investing in Program Areas by Type

Region	N° Businesses	PRODUCTS			
		Cacao	Coffee	Dairy Products	Others
SAN MARTÍN	8	5	1	1	1
HUANUCO	2	1	1		
UCAYALI	1				1
TOTAL	11	6	2	1	2

Actions to promote investment include both strengthening of producer committees as part of agreements with commercial enterprises and efforts to bring new businesses to Program areas. Activities included:

- Strengthening of 56 producer committees:
 - 37 cacao committees allied with ROMEX in Juanjui
 - 9 cacao committees in Mariscal Cáceres (Tingo María) allied with ALORSELVA
 - 10 committees in the Shambillo Valley allied with Progreso, an NGO for Fair Trade
- The Program supported the entry of three businesses (AMAZONAS TRADING, SUMAQAO and OUTSPAN) that began investing in cacao and coffee.
- Support of a feasibility study of the sale of Orquídea Chocolate in Lima
- Coordination with representatives of the following businesses for visits to Program areas resulting in investment: Pronatec {Switzerland} (cacao), Oxfam {Belgium} (palm hearts), Outspan (coffee) and chocolate buyers such as Stephan Bonnat, Jean Paúl Hevin, Phillipe Bernachon, Valentín Tibere, Arthur Pollard, Alan Mc Clure and Colin Gasko.

R.1.4. Increased Commercial Links with New Buyers¹.

Two new businesses began the purchase of products from Program areas during the last reporting year.

Table 12: New Businesses Purchase Products from Program Areas

Target	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
5	6	2	8	160%

During February 2010, SUMAQAO purchased 800 MT of cacao in Tocache from 3 different producer organizations (CP CACAO, APCU, and ASPROC NBT). Additionally, Oxfam (Belgium) purchased Alianza, S.A.'s (San Martín) first container of palm hearts and committed to the continued purchase of palm from this Program-supported palm heart supplier. Finally, the Swiss chocolate maker PRONATEC expanded its operations from San Martín and began purchasing in Ucayali.

¹ See annex 9



Photo: 1st Container of Palm Hearts Exported by Alianza, S.A..

Export Promotion Events

At the market level, the Program participated in a variety of promotion events that helped bring producer organizations and products to the national and international stage. The principal events included:

EXPOAMAZONICA: This event was organized jointly with the Municipality of Lima in the Parque de la Exposición from 29 April to 2 May 2010. During the fair, 49 representatives of producer organizations from Program areas made contact with 35 potential buyers and offered their products to a total of approximately 47,500 visitors.

Table 13: Number of Organizations Participating in EXPOAMAZONICA 2010

Region	No. Representatives
SAN MARTÍN	24
HUANUCO	5
UCAYALI	20
TOTAL	49



ExpoAmazónica stand of the Asociación Santa Rosa Km 200



PDA Stand in ExpoAmazónica

1° SALON DE CACAO Y CHOCOLATE 2010: This event was held from 8-10 July at the Sheraton Hotel in Lima. There were over 20 representatives from international chocolatiers as well as services and products featured. The event received over 2,000 visitors. The event helped promote the image of Peruvian cacao, which was subsequently featured in the Salón de Chocolate in Paris and its sister fair in Tokyo.



I Salón de Cacao and Chocolate at the Sheraton Hotel



International chocolatiers that participated in the Salón de Cacao y Chocolate 2010

MISTURA: Due to the success of the Salón de Cacao y Chocolate, the high profile food fair Mistura featured special booths to showcase Peruvian coffee and cacao. The Rincón de Cacao and the Rincón de Café were spaces for Program-supported organizations to sell their products to the public. The exposure enabled both booths to sell 100% of their products.



Foto: Vista externa del Rincón del Chocolate



Foto: Inauguración del Rincón del Chocolate

In addition to these specialized stands, the Program supported 12 producer organizations and businesses in the presentation and sale of their products including cacao, chocolate, coffee, palm hearts, tropical flowers and plantains.



Photo: PDA Stand in Mistura

Coffee Taster Training: In Alliance with Central Café and Cacao del Perú, the Program financed the training of Q Grade Coffee masters.

Table 14: Q Grader Training Course

Programs / Year	N° Students	Students Qualifying for Q Grader	Q Grader Graduates	Tasters in Training
2008 Training Program	20	16	16	0
2009 Training Program	22	16	16	0
2010 Training Program	18	16	0	16
TOTAL	60	48	32	16

The students were evaluated by the Coffee Quality Institute in the United States and 100% of graduates obtained the Q Grader distinction. The remaining 16 tasters will complete the course in November 2010.



Photo: Students Practicing Coffee Tasting



Photo: Instructor Kenneth O'Keefe, testing the coffee tasters

CREDIT AND FINANCIAL SERVICES COMPONENT

Access to financial services will allow the productive sector supported by the Program and others to have a feasible and sustainable alternative to operate financial services, since currently the presence of the traditional banking is minimal and there are very few microfinance entities which take the risk of operating in this sector.

In addition, PDA is working with producer organizations to provide them with appropriate credit methodologies to serve their partner producers and increase on a gradual and sustainable basis the access to financial services for their partners.

Financial Entities Offer Financial Services in Program areas.

TABLE 15: Financial Entities Offer Credit in Program Zones

Goal	Previous Year	Current Year	Accumulated	Progress %
6	8	2	10	167%

During the reporting year, the Program successfully socialized information regarding the PDA Financial Product in 218 communities (see Annex 13, List of Communities Visited). The principal activities with financial entities are detailed below:

The Program, in alliance with the Banco de la Nación, is developing a project that entails *Shared Brand Debit Cards* with financial Program partners. This project will benefit the microfinance entities because it will enable them to use the ATM Network to access newly created savings accounts in the Banco de la Nación, supporting the Shared Brand Project. To this end, the Multi-channel Transactional Platform was developed during the reporting year. The total investment amount of this effort exceeds **S/.19,600,000**. The Multi-channel Transactional Platform will allow managing the services related to the cards and ATM networks, POS, correspondent ATMs and integration with other banking networks.

According to our liaison officers of Banco de la Nación, as of the end of September 2010, the technical team led by the Division of Infrastructure and Communications of Banco de la Nación reported the following activities:

1. The Logistics Department completed a consultancy assessing the marketing possibilities for the acquisition of the Multi-channel Transactional Platform.
2. The Technical Team prepared and sent the following documents:
 - Previous Technical Report of Software Evaluation Law 28612 “Previous Technical Report of Software Evaluation for the process of Acquisition of the Multi-channel Transactional Platform”
 - Supporting Technical Report to acquire and implement the Multi-channel Transactional Platform.

The final step in the procurement process is the completion of documents and official bid for the acquisition of the Multi-channel Transactional Platform.

The main difficulty for producers and producer organizations participating in productive chains in Program areas is the lack of traditional banking offices. Banco de la Nación is the principal State-owned financial entity at the service of the public sector and which has 42 offices in Program areas which are Unique Banking Offers (UBO). In conjunction with the Banco de la Nación and Caja Luren, the Program helped establish guidelines for credit disbursements and recovery. Through these guidelines, Caja Luren will be able to serve its customers in the offices of Banco de la Nación applying similar services.

This guideline procedure will enable us to customize and streamline these functions in each of the financial entities with which the Program has an agreement. The next step is to structure its policies, manuals, regulations, procedures and technological platforms to allow for the introduction of similar services.

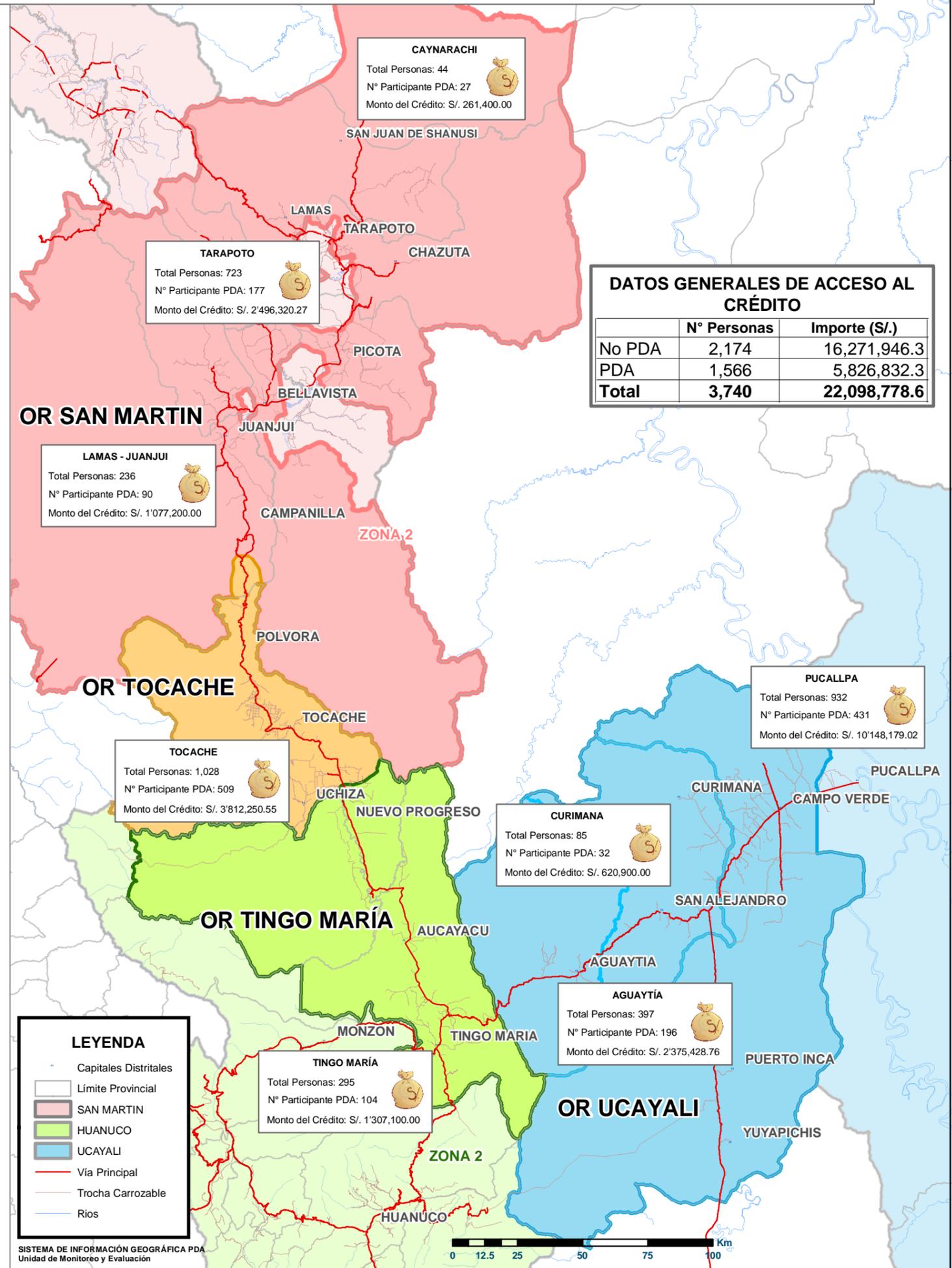
Development Credit Authority (DCA). The DCA guarantees help encourage development by redirecting credit flows to areas where there is no presence of traditional banking and promote the farming activities that require it most to promote sustainable development.

In coordination with the Office of Economic Development and Environment of USAID/Perú and the Office of Development Credit (EGAT/DC) in September 2010 we obtained the approval of five (05) Guarantee Programs of the Development Credit Authority (DCA) in the amount of fifteen million United States dollars

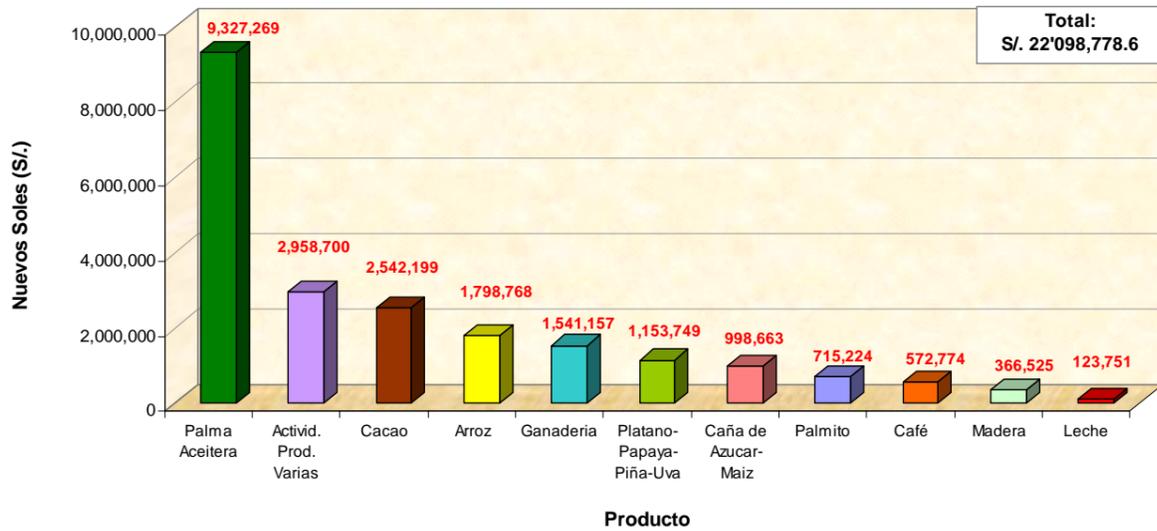
FAMILIAS QUE HAN ACCEDIDO A CRÉDITO EN EL ÁMBITO DEL PROGRAMA

TOTAL DE FAMILIAS QUE ACCEDIERON A CRÉDITOS POR OFICINA REGIONAL

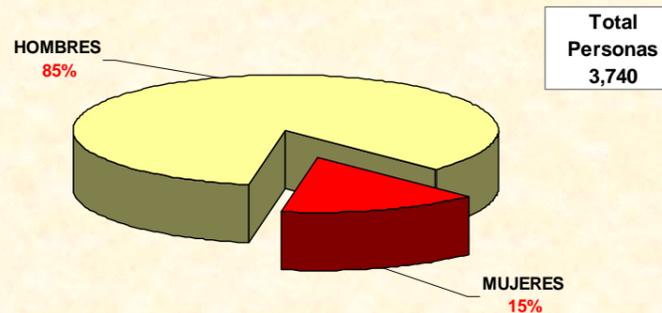
Dirección Regional	Zonas	Total de Familias (*)	Importe Total de Crédito Otorgado (S/.)	N° Participantes PDA	Importe de Crédito Otorgado a Participantes PDA (S/.)
SAN MARTIN	CAYNARACHI	44	261,400.0	27	165,300.0
	LAMAS - JUANJUI	236	1,077,200.0	90	415,000.0
	TARAPOTO	723	2,496,320.3	177	421,817.1
TOTAL SAN MARTÍN		1,003	3,834,920.3	294	1,002,117.1
TINGO MARÍA	TINGO MARÍA	295	1,307,100.0	104	423,650.0
TOTAL TINGO MARÍA		295	1,307,100.0	104	423,650.0
TOCACHE	TOCACHE	1,028	3,812,250.6	509	1,827,011.6
TOTAL TOCACHE		1,028	3,812,250.6	509	1,827,011.6
UCAYALI	AGUAYTÍA	397	2,375,428.8	196	1,303,536.4
	CURIMANA	85	620,900.0	32	260,000.0
	PUCALLPA	932	10,148,179.0	431	1,010,517.2
TOTAL UCAYALI		1,414	13,144,507.8	659	2,574,053.7
GRAN TOTAL		3,740	22,098,778.6	1,566	5,826,832.3



ACCESO AL CRÉDITO POR PRODUCTO



PORCENTAJE DE ACCESO AL CRÉDITO DE HOMBRES Y MUJERES



(US\$15,000,000). These guarantees will help mitigate on qualified loans issued by Program partners:

- Financiera Edyficar
- Caja Rural de Ahorro y Crédito Nuestra Gente
- EDPYME Proempresa
- Caja Rural de Ahorro y Crédito Señor de Luren
- Cooperativa de Ahorro y Crédito Tocache

This Guarantee Program of the Development Credit Authority (DCA) in the amount of \$15,000,000.00 is added to the one currently managed by the Program which was approved by USAID in November 2009 in the amount of \$4,000,000.00. The total DCA funds of \$19,000,000 are a powerful catalyst for the private financial sector to channel resources to activities promoting the economic growth and development within PDA scope.

The maximum cumulative amounts established for the financial entities signing the DCA Agreement are:

- Financiera Edyficar: US\$3,000,000
- Caja Rural de Ahorro y Crédito Nuestra Gente: US\$3,000,000
- Edpyme Proempresa: US\$2,000,000
- Caja Rural de Ahorro y Crédito Señor de Luren: US\$3,000,000
- Cooperativa de Ahorro y Crédito Tocache: \$1,000,00.

Additionally, there is a reserved amount: US\$3,000,000, to which the signing organizations may apply.

Organizations have access to Financial Services:

Table 16: Producer Organization Access Credit

		Current Year	Accumulated	Progress %
10	6	19	25	250%

The Financial Services Component developed a Manual of Procedures that enables producer organizations and/or companies to publicize the PF-PDA Financial Product.

To date, we have been able to link 65 organizations and/or private companies to financial entities that work with the PF-PDA Financial Product. Of this total, financial facilities were granted to 35 organizations (directly to the organization and/or to its partner producers) participating in productive chains. (See Annex 7. List of Organizations).

Improvement in the Management of Producer Organization Credit Departments

Table 17: Organizations Improve Their Credit Departments

Goal	Previous Year	Current Year	Accumulated	Progress %
3	3	0	3	100%

The credit departments of producer organizations are supporting bodies of each of the general managements and their main purpose is to manage the Register of Partners that access financing facilities through funds of the organization itself and/or coordinate with national and international financial entities financing facilities to the organization and its partners. The Program worked principally with Oro Verde, ACOPAGRO and APAVAM to develop a series of forms (credit agreement, refinancing, loan collection, verification, etc.) and manuals to expedite the credit process:

PDA Families with Access to Credit

Table 18: Families in Program Areas Access Credit

Goal	Previous Year	Current Year	Accumulated	Progress %
2,500	2120	1,627	3,747	149.88%

Table 19: Families in Program Areas Access Credit (by Zone Office)

Regional	Zonal	Previous Year	Current Year	Accumulated
SAN MARTIN	JUANJUI	133	103	236
	TARAPOTO	538	185	723
	PONGO DE CAYNARACHI	44	0	44
TINGO MARIA	TINGO MARIA	152	143	295
TOCACHE	TOCACHE	531	500	1031
UCAYALI	CURIMANA-IRAZOLA	85	0	85
	PUCALLPA	454	482	936
	AGUAYTIA	182	215	397
	TOTAL	2120	1628	3747

Since the beginning of the Pilot Program of financing to producers in November 2008, financing facilities for 3,747 producers have been approved in the amount of S/.22,372,178.60. Of this total approved, 42% corresponds to Program participants (1,566 producers) and 15% (566 female farmers) accounts for women developing farming activities.

PF-PDA Financial Product enabled 3,294 producers to be inserted into the formal financial system opening savings accounts in the amount of S/. S/.10,829,385.26; this formalization will enable the producers in Program areas to obtain other financial services such as personal credits, credits for the acquisition of assets and infrastructure and credits for productive housing.

Credit Report as of September 30, 2010
Credit Access for Families in Program Areas

SCOPE	TOTAL ACCUMULATED 11/2008 - 09/2010	
	# Families	Amount in Soles
Aguaytia.- Ucayali	397	2,375,428.76
Cainarachi.- San Martín	44	261,400.00
Curimaná.- Ucayali	85	620,900.00
Lamas-Juanjui.- San Martín	236	1,077,200.00
Pucallpa.- Ucayali	936	10,394,579.02
Tarapoto.- San Martín	723	2,496,320.27
Tingo Maria.- Huanuco	295	1,307,100.00
Tocache.-San Martín	1,031	3,839,250.55
TOTAL	3,747	22,372,178.60

Financing Facilities Distributed by Type of Crop

CROP	TOTAL ACCUMULATED 11/2008 – 09/2010	
	# Families	Amount in Soles
Various Productive Activities	699	2,958,700.00
Rice	406	1,798,768.02
Cacao	720	2,582,198.86
Coffee	177	572,773.59
Sugar Cane-Corn	75	998,662.80
Livestock	227	1,568,157.19
Milk	63	123,751.05
Timber	19	532,924.50
Palm	1007	9,327,269.42
Palm Herat	210	755,224.31
Banana-Papaya-Pineapple-Grape	148	1,153,748.86
TOTAL	3,751	22,372,178.60

Disbursements Distributed by Gender in Program Areas

Gender (Producers)	TOTAL ACCUMULATED 11/2008 - 09/2010	
	# Women	Amount in Soles
Aguaytia.- Ucayali	71	492,261.89
Cainarachi.- San Martin	2	21,800.00
Curimaná.- Ucayali	3	21,500.00
Lamas-Juanjui.- San Martin	21	121,100.00
Pucallpa.- Ucayali	141	704,864.06
Tarapoto.- San Martin	84	391,776.03
Tingo Maria.- Huanuco	51	190,000.00
Tocache.-San Martin	193	626,257.31
TOTAL	566	2,569,559.29

Description:

From Total Clients, 42% are Producers Participating in PDA
 From Total Clients, 15% are Producer Women in PDA Scope

Movement of Savings:

3,294 accounts opened in the amount of S/.10,829,385.26

CHAPTER 2: SOCIAL DEVELOPMENT

Program activities in social development during the reporting year were focused on strengthening management capabilities of regional and district governments. These activities were undertaken in the climate of the municipal elections in October 2010 for the new public administration at all sub-national levels between 2011 and 2014. With local governments and communities, the area focused its work on integrating community-level development projects into the 2011 Participatory Budget exercise. This approached bore fruit, with over 50 productive projects successfully achieving financing from local governments for a total of over \$1.07M in investment for the coming year. Additionally, public co-financing for infrastructure projects at the regional and municipal levels yielded commitments totaling more than \$15.1M, principally to improve road infrastructure that will enable farmers to bring their products to market.

Finally, at the community level, the Selva Ganadora competition was reoriented to include a more entrepreneurial focus, as well as private sector sponsors for prizes.

The results for the reporting year are reported below according to the Results Framework.

R2: Strengthened interaction of communities and local governments that promote community and economic development (Target: 30%)

Indicator: Local governments implement services jointly with communities and actively promote their socio-economic development. (Target: 30% of municipal governments)

Table 20: District Municipalities that Jointly Implement Services with Communities

Target	Prior Reporting Quarter	Total Annual Investment (S/.)	Cumulative Total of Municipalities	% Progress
30% (13 de 44)	0	16.8	35	254%

Due to the marked improvement in public investment in rural areas in the last few years, the Social Development component focused its efforts on improving the Participatory Budget process and seeking to improve investment in Program communities.

A principle strategy of the Social Development component is to promote active participation of community leadership in the Participatory Budget (PB) process. To this end, workshops were held in over 500 communities to prioritize projects. Of these, the Program successfully facilitated the inclusion of 313 projects in 493 communities in 37 municipal PBs. This in turn, resulted in the commitment of over \$14.6M in municipal investment, surpassing the \$11M investment realized in 2010.

R2.1: Improving the development management capacity of communities and their organizations

In Tables 21 and 22, we can see that 209 Program communities improved their condition in terms of managing their own development, progressing from the precarious stage to in progress (175 communities) and from in progress to consolidated (34

communities). In Table 23, we can see that more than 80% of Program communities fall within the in process and consolidated categories; in Ucayali, more than 50% of communities are classified as precarious due to the weak cohesion of the social fabric and tenuous participation in the licit economy. The degree of illicit activity in Ucayali was evidenced by the initiation of programmed eradication of coca by CORAH during this reporting year.

Table 21: Development Management: % Of Precarious Communities that Transition to *In Process*

Target	Total <i>Precarious</i> Communities (Baseline)	Progress During Reporting Year (N° Com.)	Progress During Reporting Year (%)	% Progress Toward Target
50%	305 ²	175	57,38%	114,75%

Source: PDA M&E System

Table 22: Development Management: % Of In Process Communities that Transition to *Consolidated*

Target	Total <i>In Process</i> Communities (Baseline)	Progress During Reporting Year (N° Com.)	Progress During Reporting Year (%)	% Progress Toward Target
25%	174	34	19,54%	78,16%

Source: PDA M&E System

Table 23: Categorization of Communities by Zone Office

Regional	Zone Office	Total Communities	No. Precarious Communities	No. Intermediate Communities	No. Consolidated Communities
SAN MARTIN	JUANJUI	34	0	27	7
	BELLAVISTA	37	3	27	7
	TARAPOTO	27	0	18	9
	PONGO DE CAYNARACHI	31	0	20	11
TINGO MARIA	NUEVO PROGRESO-PARAISO	40	11	27	2
	TINGO MARIA	39	4	32	3
TOCACHE	TOCACHE	45	4	25	16
	UCHIZA	36	6	29	1
	POLVORA	36	4	21	11
UCAYALI	CAMPO VERDE - PUERTO INCA	59	20	30	9
	CURIMANA-IRAZOLA	48	12	36	0
	AGUAYTIA	44	19	17	8
TOTAL		476	83	309	84
TOTAL (Baseline)		524	305	174	45

The progress of these communities is a product of their own effort as well as coordination between Program areas to implement activities that strengthen communities' vision and management capabilities. These activities include:

² The baseline figures include communities in the José Crespo y Castillo district, which are no longer being attended, as well as communities in the Tarapoto Zone Office, which were replaced with others subsequent to the baseline data collection.

1. Territorial Planning and Management

a) Communities conducted a SWAT analysis and internalized the benefits of crops such as cacao, coffee and others. Common three year plans among communities permitted the forming of multi-communal networks to confront common problems.



Table 24 below details the number of communities that possess Community Development Plans as well as the number of multi-communal economic development projects prioritized in the SNIP (economic infrastructure, technical assistance, etc.)

Table 24.: Community Development Plans and SNIP Projects

Regional Office	Community Plans	Multi-Community Networks	Total No. of SNIP Projects
San Martín	130	6	6
Tocache	108	6	6
Tingo María	48	3	3
Ucayali	167	8	8
TOTAL	453	23	23

2. Development and Strengthening of Associative/Organizational Capacity- The Program implemented activities to strengthen the degree of organization of community-level groups and leaders. These included:

- Leadership training
- Formation of Community Infrastructure Maintenance Committees (JASS)
- Community Enterprises
- Producer committees
- Road maintenance committees

At present, there are over 60 community organizations with official registration documentation and recognition by municipal ordinance. The Program will work to articulate these groups with other district and provincial-level groups.

3. Selva Ganadora: In 2009 the success of the Selva Ganadora competition motivated year's massive participation of 416 communities with over 450 entrepreneurial project submissions.

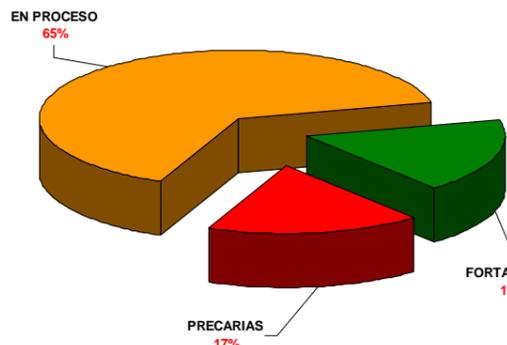
In Table 25 below, we show the number of communities and projects submitted by regional office.

CATEGORIZACIÓN DE COMUNIDADES Y GOBIERNOS SEGÚN DESARROLLO SOCIAL

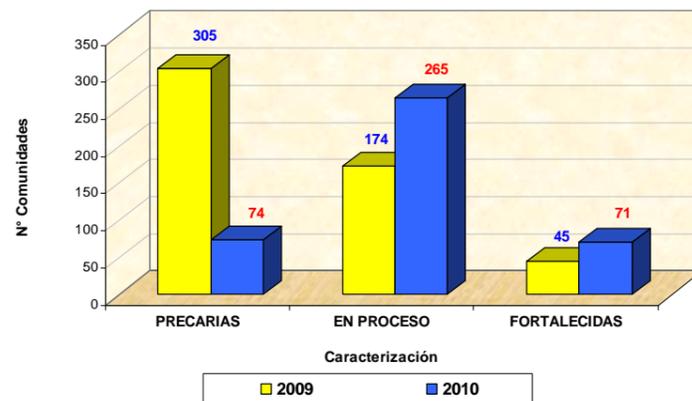
CATEGORIZACIÓN DE COMUNIDADES SEGÚN DESARROLLO SOCIAL POR OFICINA REGIONAL

DIRECCIÓN REGIONAL	ZONAL	TOTAL COMUNIDADES	N° COM. PRECARIAS	N° COM. EN PROCESO	N° COM. FORTALECIDAS
SAN MARTIN	JUANJUI	34		27	7
	BELLAVISTA	37	3	27	7
	TARAPOTO	27		18	9
	PONGO DE CAYNARACHI	31		20	11
TOTAL SAN MARTIN		129	3	92	34
TINGO MARIA	NUEVO PROGRESO-PARAISO	40	11	27	2
	TINGO MARIA	39	4	32	3
TOTAL TINGO MARIA		79	15	59	5
TOCACHE	TOCACHE	45	4	25	16
	UCHIZA	36	6	29	1
	POLVORA	36	4	21	11
TOTAL TOCACHE		117	14	75	28
UCAYALI	CAMPO VERDE - PUERTO INCA	59	20	30	9
	CURIMANA-IRAZOLA	48	12	36	
	AGUAYTIA	44	19	17	8
TOTAL UCAYALI		151	51	83	17
GRAN TOTAL		476	83	309	84

CATEGORIZACIÓN DE COMUNIDADES SEGÚN DESARROLLO SOCIAL



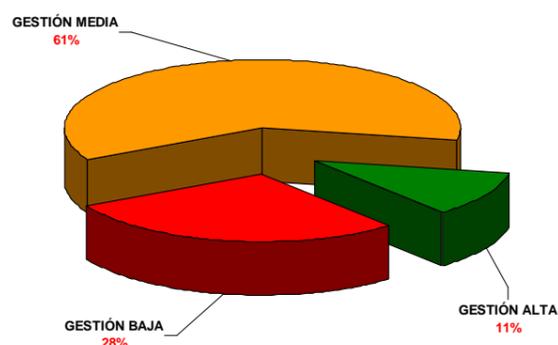
CARACTERIZACIÓN DE COMUNIDADES AÑO 2009 VS. 2010



CATEGORIZACIÓN DE GOBIERNOS POR OFICINA REGIONAL

OFICINA REGIONAL	TOTAL GOBIERNOS	N° GOB. GESTIÓN BAJA	N° GOB. GESTIÓN MEDIA	N° GOB. GESTIÓN ALTA
SAN MARTIN	28	10	17	1
TOCACHE	4	1	3	0
TINGO MARIA	5	0	3	2
UCAYALI	9	2	5	2
TOTAL	46	13	28	5

CARACTERIZACIÓN DE GOBIERNOS



CARACTERIZACIÓN DE GOBIERNOS AÑO 2009 VS. 2010

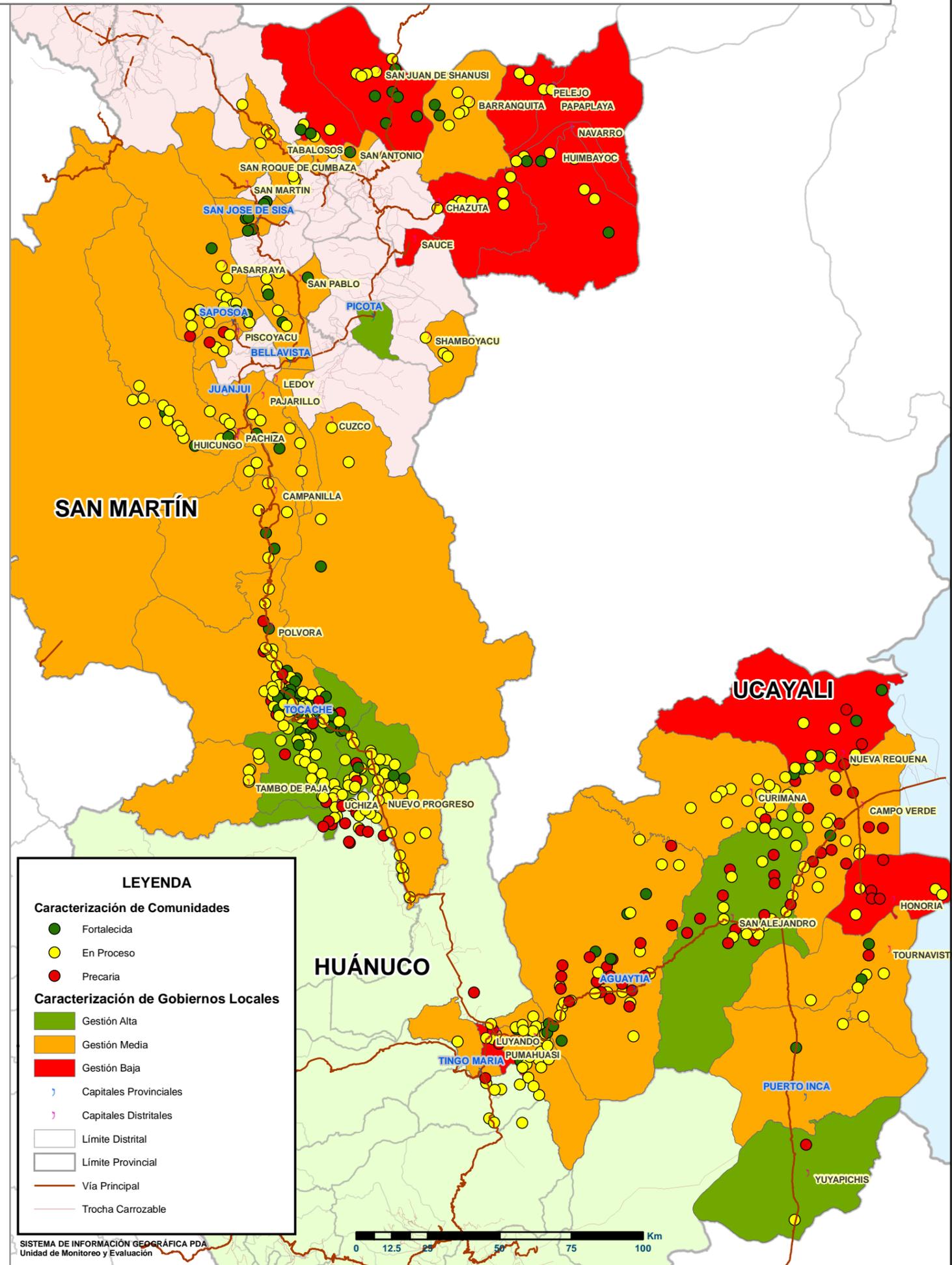
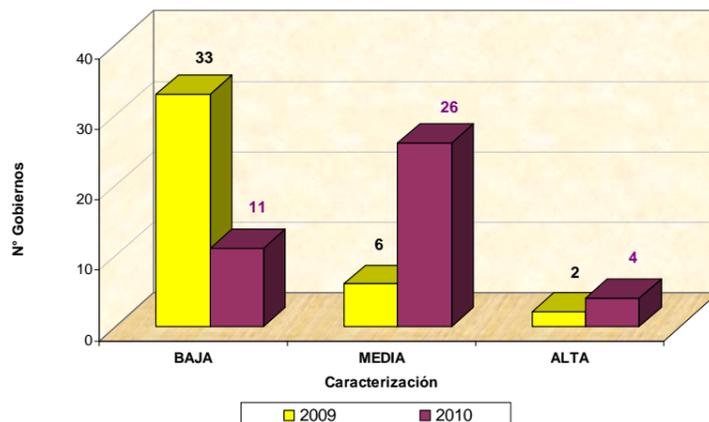


Table 25: Selva Ganadora Communities and Projects

Regional Office	Total No. Communities	Total Projects
San Martín	165	176
Tocache	79	86
Tingo María	47	56
Ucayali	125	141
TOTAL	416	459

R2.2: Increased Organizational Capacity of Local Governments to Administer Services to Communities

In Tables 11 and 12 we can see that 21 municipalities supported by the Program improved their technical and administrative management capacities. Twenty municipalities transitioned from the Low category to the Medium category and 1 municipality from the Medium to the High category. Consequently, we can observe from Table 26, more than 70% of the municipalities possess either Medium or High management capacity.

Table 26: Development Management: %Municipal Governments that Transition from Low to Medium Management Capability

Target	Total Local Governments with Precarious Management Capacity	Progress During Reporting Year (N° Govs.)	Percentage Progress in Reporting Year (%)	% Progress Toward Target
30%	34	20	58,82%	196,08%

Table 27: Development Management: %Municipal Governments that Progress from Medium to High Management Capability

Meta	Total Local Governments with Intermediate Management Capacity	Progress During Reporting Year (N° Govs.)	Percentage Progress in Reporting Year (%)	% Progress Toward Target
30%	7	1	14,29%	47,62%

Table 28: Categorization of Municipal Governments by Regional Office

Regional Office	Total No. Governments	No. Govs. Precarious Management Capacity	No. Govs. Intermediate Management Capacity	No. Govs. Consolidated Management Capacity
San Martín	28	10	17	1
Tocache	4	1	3	0
Tingo María	5	0	3	2
Ucayali	9	2	5	2
TOTAL	46	13	28	5
Baseline	41	33	6	2

Activities with a *learn by doing* approach undertaken with municipalities to improve management capacity include:

- 1. Participatory/Consensual Management Tools:** In concert with the USAID/Pro Decentralization Project, the Program worked to assist municipalities with the Participatory Budget exercise as well as formulate viable project for competitive funds such as FONIPREL.
- 2. Development of Technical and Administrative Capacity:** Program staff worked with municipal professionals to strengthen municipal management tools such as the Operational Plan, Organization and Roles Manual and Personnel Assignment. Furthermore, special attention was paid to ensure investment committed for Program communities was properly channeled.
- 3. Work with Local Economic Development Offices:** Each municipality has a special office and a plan dedicated to the economic development of its district. The Program undertook work to strengthen these offices so they respond more effectively to the needs of constituent communities.

R2.3: Regional Governments as Active Strategic Allies to Program

Table 29: Regional Governments as Program Allies

Target	Prior Reporting Year	Current Reporting Year	Cumulative	% Progress
2	0	0	2	100.00%

San Martín Regional Government

Although the San Martín Regional Government is among the most efficient spenders of public funds compared to other regions across the country, the Program supported its effort to organize and effectively channel public funds toward investments that benefit a robust percentage of its constituency and promote economic and social development in the region.

Ucayali Regional Government

During the reporting year, a special effort was made to engage the Ucayali Regional Government, as this region was a priority due to post eradication efforts. As such, a variety of activities were undertaken. These included:

- Technical assistance in the formulation of the Regional Development Plan 2011-2021, which began in June 2010 and to date has achieved the following:
 - Regional Technical Team officially created and comprised by representatives from 46 regional development institutions. Work plan designed and implemented.
 - Five teams of facilitators trained to undertake workshops with sub-regional government authorities
 - 15 sub-regional Workshops undertaken in 15 districts in August 2010
- Joint (PDA/GOREU) inauguration of 3rd Regional Cacao Festival in Pucallpa on 19 July 2010. One week later, the GOREU Economic Development Office and the

Regional President inaugurated Irazola Cacao Festival in which San Alejandro was declared the regional cacao capital for Ucayali.

- Joint inauguration of the 1st Multi-Regional Coffee Festival on 12 August in which the Regional President spoke on behalf of the Ucayali region regarding the importance of coffee in its economic development.
- Joint course with the GOREU Environmental Office and the Ministry of Agriculture on Environmental Management. This course allowed technical staff from the three institutions to receive the latest information on project management and the application of sound environmental practices.

R.2.4 Gender Focus

Important Studies. In addition to a variety of programmatic activities, this year two important studies were undertaken: 1) a study on lessons learned from gender activities from prior years; and 2) a study to analyze the role of gender in value chains such as coffee, cacao and palm.

Findings of Gender Evaluation. The principle findings of the gender evaluation were: 1) recognition of the increased capacity of management of a gender focus by Program personnel in programmatic activities; 2) a need to support entrepreneurial efforts by women; 3) a potential role for Women's Regent Network to promote economic development issues.

Findings of Value Chain Analysis. The Value Chain analysis yielded valuable findings that will also be incorporated into activities. These included: 1) the barriers that women face due to an excessive workload; 2) situations that limit participation in decision making fora. These include: personal insecurity, time spent in the field or caring for children. 3) women participate mostly in the production phase of the crop and are often excluded from the commercialization phase and participation in producer organizations. Despite these barriers, the study also found that women seek to increase their income through value added activities with coffee and cacao and also seek to associate themselves to strengthen their negotiation position. To this end, recommendations of the study included:

- Promoting strategies to redistribute gender roles in the family in a more equitable fashion
- Increase competitive advantage of female Program participants
- Strengthen work with extensionists as agents of change within communities
- Create and disseminate successful models of entrepreneurial women
- Strengthen economic development role of the Women's Regents Network
- Increase public knowledge of Program gender activities through communications

The principle activities of the Gender component follow and are described following the indicators for the area.

Number of people (women and men) participating in gender training
Target: 2,000 people

Table 30 and 31 below show the number of participants in community capacity building sessions led by local leaders in 220 communities trained by the Red Nacional de Promoción de la Mujer (RNPM). Men represent 32% of the population who received the training.

Table 30: Number of People Participating in Gender Training

Target	Progress Reporting Year	Cumulative Total	% Progress
2,000	0	3,021	151%

Table 31: Number of People Participating in Gender Training by Region

Regional Office	Total Participants	N° Men	N° Women
San Martín	663	296	367
Tocache	802	187	615
Tingo María	672	143	529
Ucayali	884	352	532
TOTAL	3021	978	2043

Percentage of Women as Members of Executive Boards of Community Organizations

Target: 20% of total membership

Table 32: Female Members of Executive Boards of Community Organizations (%)

Target	Total Members	Progress During Reporting year (N° Women)	Progress During Reporting Year (%)	Cumulative Total (No. Women)	% Progress
20%	324	0	0	125	192.90%

Table 33: Female Members of Executive Boards of Community Organizations by Regional Office

Regional Office	Total Participants	No. Communities	No. Women
Tingo María	114	11	44
Tocache	210	12	81
TOTAL	324	23	125

Strengthening Women's' Producer Organizations

Target: 8 women's' organizations formed and/or strengthen

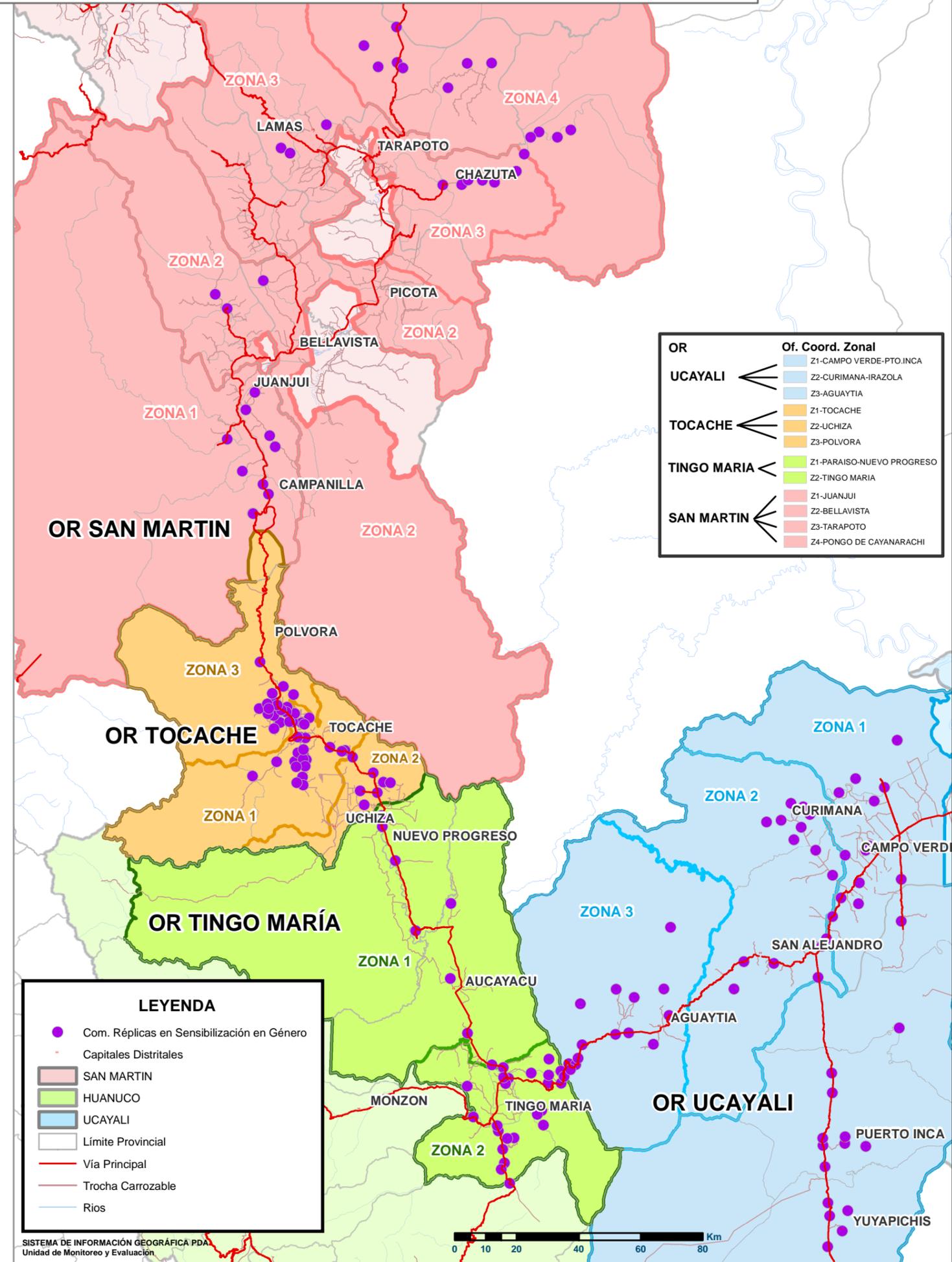
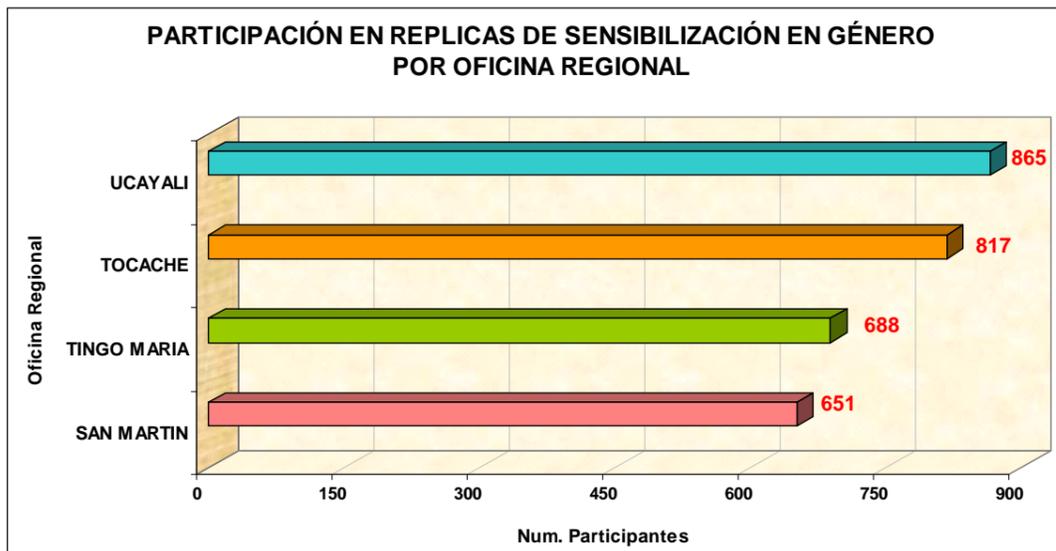
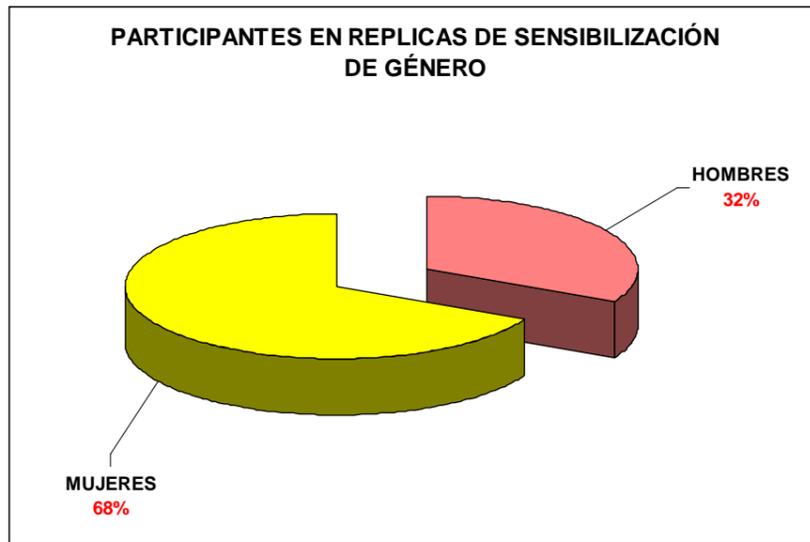
Table 34: Strengthening Women's' Producer Organizations

Target	Prior Reporting Year	Current Reporting Year	Cumulative	% Progress
8	0	4	16	200%

ÁMBITO DE RÉPLICAS DE SENSIBILIZACIÓN EN GÉNERO

PARTICIPACIÓN EN REPLICAS DE SENSIBILIZACIÓN DE GÉNERO POR OFICINA REGIONAL

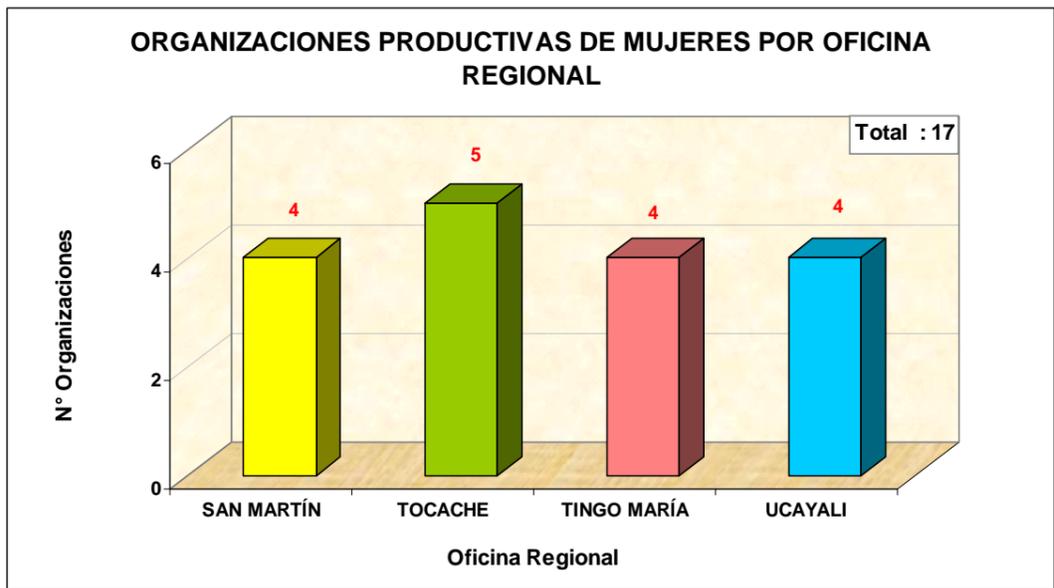
DIRECCIÓN REGIONAL	ZONAL	TOTAL PARTICIPANTES	SEXO	
			M	F
SAN MARTIN	JUANJUI	124	45	79
	BELLAVISTA	46	36	10
	TARAPOTO	190	75	115
	PONGO DE CAYNARACHI	291	123	168
TOTAL SAN MARTIN		651	279	372
TINGO MARIA	NUEVO PROGRESO-PARAISO	135	51	84
	TINGO MARIA	553	110	443
TOTAL TINGO MARIA		688	161	527
TOCACHE	TOCACHE	439	101	338
	UCHIZA	134	46	88
	POLVORA	244	56	188
TOTAL TOCACHE		817	203	614
UCAYALI	CAMPO VERDE - PUERTO INCA	394	163	231
	CURIMANA-IRAZOLA	224	75	149
	AGUAYTIA	247	97	150
TOTAL UCAYALI		865	335	530
TOTAL		3,021	978	2,043



LIDERAZGO DE LAS MUJERES EN ORGANIZACIONES PRODUCTIVAS

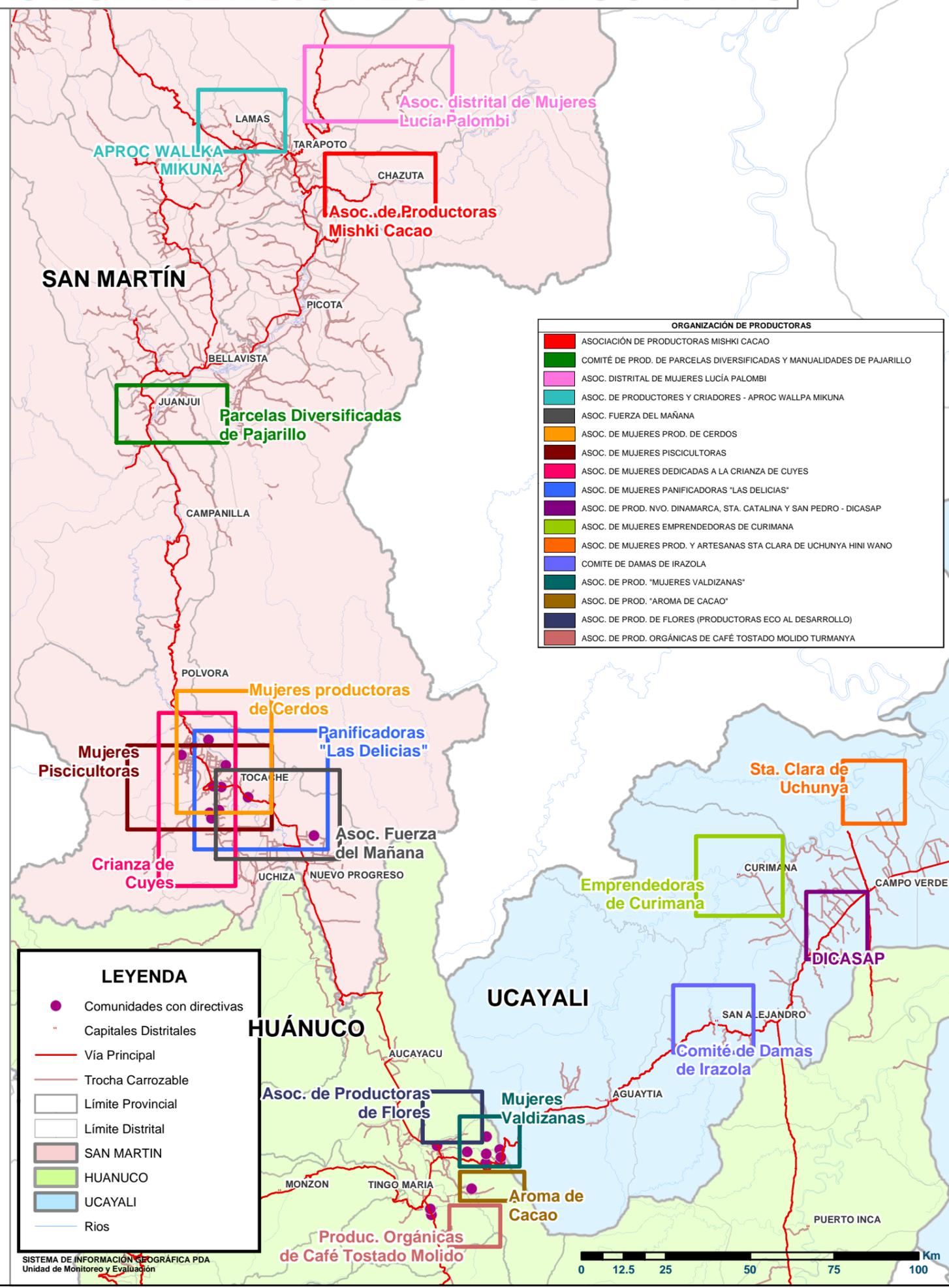
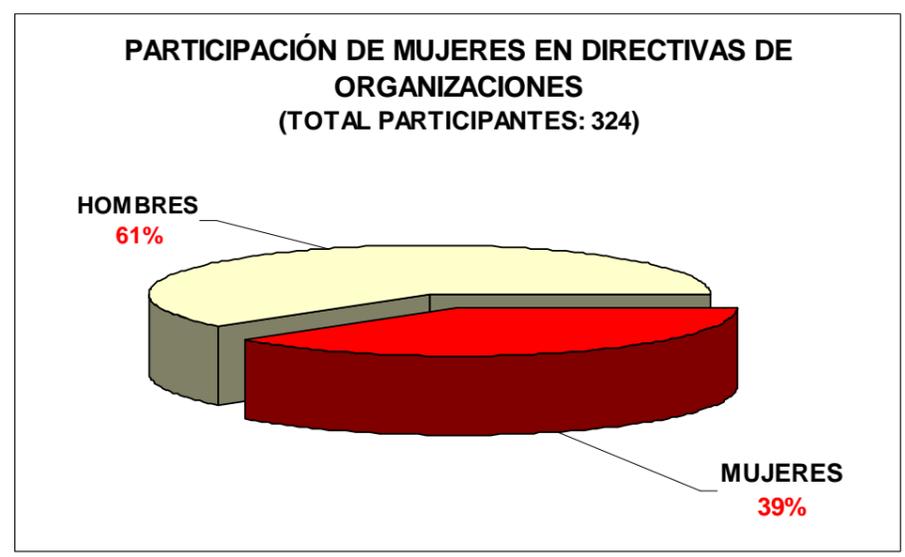
ORGANIZACIONES PRODUCTIVAS DE MUJERES POR OFICINA REGIONAL

DIRECCIÓN REGIONAL	N° ORGANIZACIONES PRODUCTIVAS
SAN MARTÍN	4
TOCACHE	5
TINGO MARÍA	4
UCAYALI	4
TOTAL	17



PARTICIPACIÓN DE MUJERES EN DIRECTIVAS DE ORGANIZACIONES POR OFICINA REGIONAL

OR	ZONAL	N° COMUNIDADES	N° ORGANIZACIONES	TOTAL PARTICIPANTES	TOTAL MUJERES	TOTAL HOMBRES
TINGO MARÍA	TINGO MARÍA	12	18	114	44	70
TOTAL TINGO MARÍA		12	18	114	44	70
TOCACHE	TOCACHE	8	28	141	56	85
	UCHIZA	1	4	15	6	9
	POLVORA	2	10	54	19	35
TOTAL TOCACHE		11	42	210	81	129
TOTAL		23	60	324	125	199



OR	N° Productive Organizations
San Martín	6
Tocache	3
Tingo María	4
Ucayali	4
TOTAL	16

We can see from Table 34 above a total of 16 women's' initiatives. Some important examples are:

- Two flower cultivating associations (ASPRAC and AMUVA) in Tingo María. ASPRAC is a nascent association receiving technical support from AGROFLORA, a more mature association and AMUVA was contracted by the District Municipality of Hermilio Valdizán to plant a municipal flower garden.



- ASPROCT, a women's cacao association in Bambamarca (Tocache). This group successfully sold cooking chocolate in the Salón de Cacao y Chocolate and Mistura in Lima
- In San Martín, the Mishki Cacao Association undertook artisanal chocolate production and participated in an experience exchange with the commercial chocolate producer Orquídea in Tarapoto and was officially recognized in Selva Ganadora for its success to date.



Participation of Women in Technical Assistance Service Provision

Target: 20% female participation

Table 35: Participation of Women in Technical Assistance Provision

Target	Total Participants	Progress During Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
20%	9508	720	1518	2238	118 %

Zone Office	No. FFS	Total Participants	No. Women	Number of Graduates	Female Graduates	Male Graduates
JUANJUI	58	1,489	411	1,198	861	337
BELLAVISTA	39	919	103	859	765	94
TARAPOTO	107	1,953	237	1,016	887	131
PONGO DE CAYNARACHI	54	1,080	308	833	630	203
NUEVO PROGRESO-PARAISO	27	553	141	411	319	93
TINGO MARIA	30	630	159	545	411	134
TOCACHE	30	578	232	509	308	201
UCHIZA	18	414	130	283	193	90
POLVORA	21	402	122	345	241	104
CAMPO VERDE - PUERTO INCA	30	477	113	344	265	78
CURIMANA-IRAZOLA	27	590	154	401	317	84
AGUAYTIA	15	423	128	214	162	53
TOTAL	456	9,508	2,238	6,958	5,359	1,602

We can see from Table XX that the 2,238 female participants in FFS represent 24% of the total participation. This is indicative of the increased interest and efforts of women to learn new skills. This is further manifest by the 71% rate of female participants that successfully graduated versus 56% of males.

Table 36: Women's' Participation in Technical Assistance Activities

Zone Office	No. FFS	Total Participants	No. Women	Total Graduates	Male Graduates	Female Graduates
JUANJUI	58	1,489	411	1,198	861	337
BELLAVISTA	39	919	103	859	765	94
TARAPOTO	107	1,953	237	1,018	887	131
PONGO DE CAYNARACHI	54	1,080	308	833	630	203
NUEVO PROGRESO-PARAISO	27	553	141	411	318	93
TINGO MARIA	30	630	159	545	411	134
TOCACHE	30	578	232	509	308	201
UCHIZA	18	414	130	283	193	90
POLVORA	21	402	122	345	241	104

Zone Office	No. FFS	Total Participants	No. Women	Total Graduates	Male Graduates	Female Graduates
CAMPO VERDE – PUERTO INCA	30	477	113	344	269	75
CURIMANA-IRAZOLA	27	590	154	401	317	84
AGUAYTIA	15	423	129	214	161	53
TOTAL	456	9,508	2,239	6,960	5,361	1,599

Farmer Field School Graduates and Agricultural Technology:



During the reporting year, over 200 female graduates of FFS formed 17 groups to provide technical assistance in fertilization, nursery care, harvesting and post harvest handling in their districts. One especially successful group, Warmi Tech in San Martín, is comprised of 30 female leaders of 13 communities and is officially constituted as a technical assistance association. Other small groups received wage payments for their services.

Strengthening of Women's Networks

Target: 5 Women's Networks Formed and Operating Effectively

Table 37: Strengthening of Women's Networks

Target	Prior Reporting Year	Current Reporting Year	Cumulative Total	% Progress
5	0	1	7	140%

OR	Cumulative Total
San Martín	2
Tocache	1
Tingo María	1
Ucayali	2
Multiple Regions	1
TOTAL	7

APPCACAO and the National Women’s Cacao Producer’s Network

In July, the National Network of Female Cacao Producers was formed within APPCACAO. This is the first women’s cacao organization to have formed at the national level and will permit APPCACAO to better address gender issues unique to the cacao value chain, as well as promote equality and sustainable development among its members.



Members and stand of the National Network of Female Cacao Producers at Mistura

Female Regents Network

The Female Regents Network continued to address problems such as domestic violence and other women’s issues. The networks in Leoncio Prado and Tocache leveraged funds from the Ministerio de la Mujer to start the Women’s Emergency Center in Tocache to provide first aid and counseling for women who have been victims of domestic violence. The Tocache Regents Network also successfully lobbied for the opening of an office of the Defensoría de la Mujer y el Niño in all districts of the Tocache province. Gender and youth violence issues are also addressed by the Municipal Gender Committee through programs at the Decentralized Education Units (Ministry of Education) and schools throughout the province.

2.5. Improvement of Social and Economic Infrastructure in Program Implementation Areas.

Infrastructure projects transferred to appropriate authorities for their use and maintenance

Target: 25 projects completed and transferred

Table 38 : Infrastructure Projects Completed and Transferred

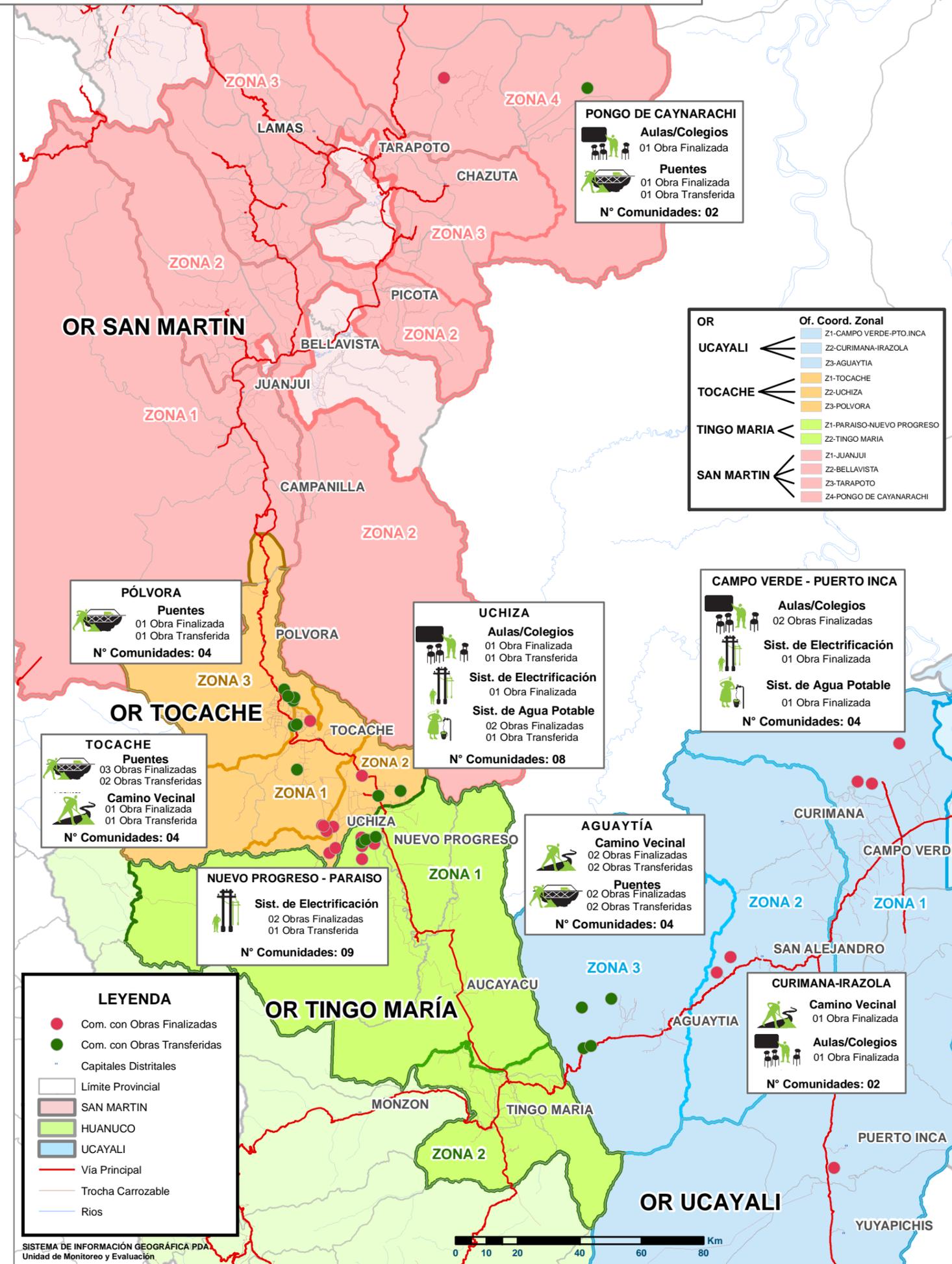
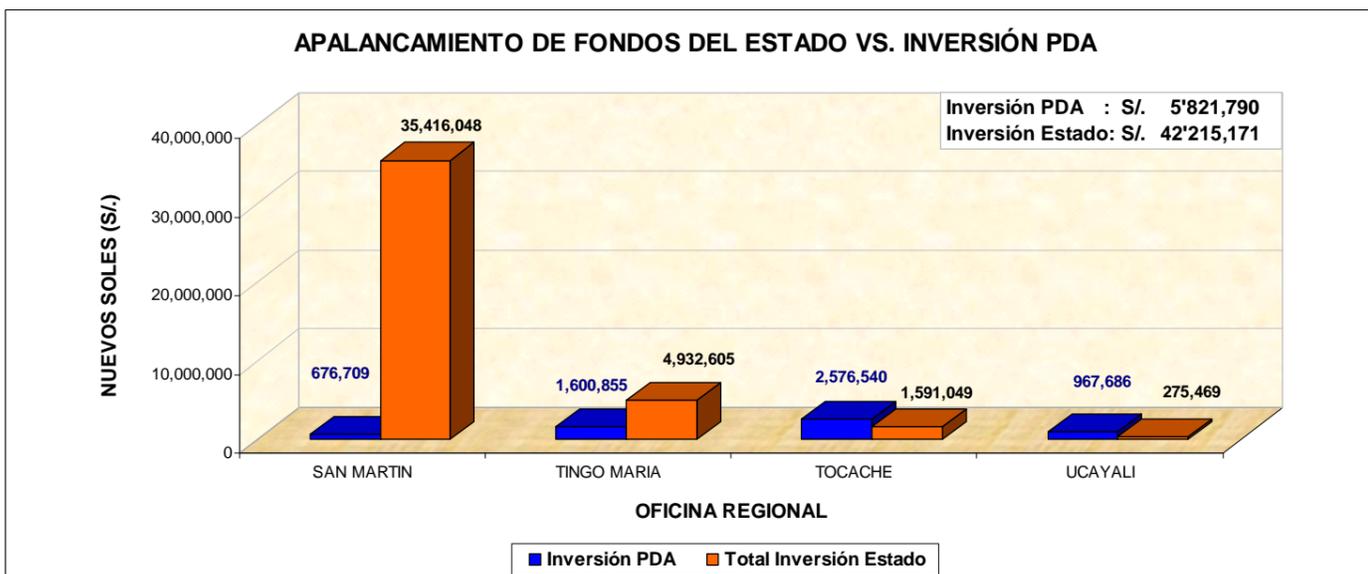
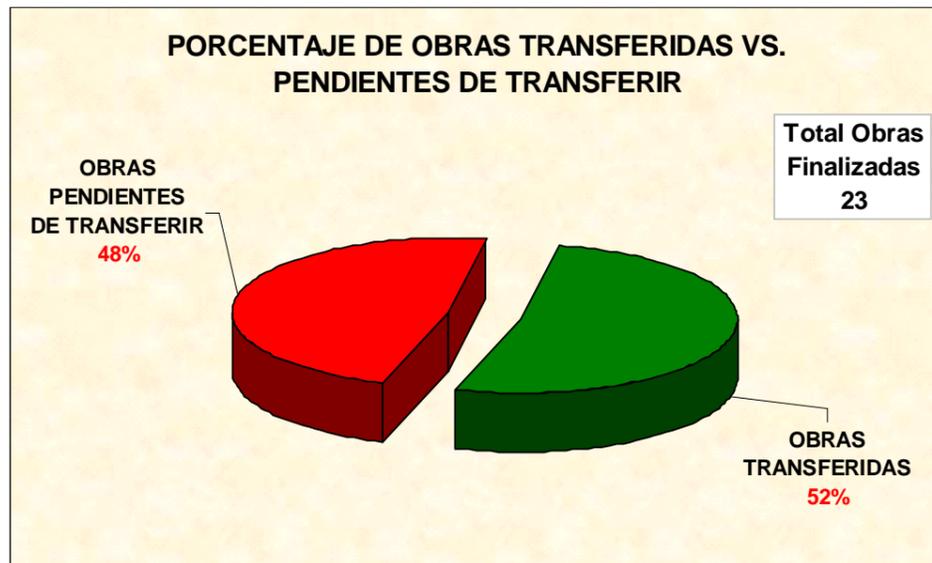
Target	Progress During Previous Reporting Year	Progress During Current Reporting Year	Cumulative Total	% Progress
25	6	6	12	48%

We can see from Table 39 below that there are currently 23 completed projects of the overall target of 25. One further project is being implemented and the final project, the

OBRAS DE INFRAESTRUCTURA POR OFICINA ZONAL

OBRAS DE INFRAESTRUCTURA FINALIZADAS Y TRANSFERIDAS POR OFICINA REGIONAL

DIRECCIÓN REGIONAL	COORDINACIÓN ZONAL	N° OBRAS		N° Comunidades Atendidas
		FINALIZADAS	TRANSFERIDAS	
SAN MARTIN	PONGO DE CAYNARACHI	2	1	2
TOTAL SAN MARTIN		2	1	2
TINGO MARIA	NUEVO PROGRESO-PARAISO	2	1	9
TOTAL TINGO MARIA		2	1	9
TOCACHE	TOCACHE	4	3	4
	UCHIZA	4	2	8
	POLVORA	1	1	4
TOTAL TOCACHE		9	6	16
UCAYALI	CAMPO VERDE - PUERTO INCA	4		4
	CURIMANA-IRAZOLA	2		2
	AGUAYTIA	4	4	4
TOTAL UCAYALI		10	4	10
GRAN TOTAL		23	12	37



construction of the Saule Bridge is currently awaiting the disbursement of counterpart funding from the Tocache Provincial Municipality. There are 11 completed projects in the transfer process.

Finally, in addition to the 23 projects, the Program was successful in leveraging public financing for 9 projects:

- 5 electrification projects
- 2 roads
- 2 sewage systems

Table 39: Infrastructure Projects Completed and Transferred to Authorities

Regional Office	Target	No. Completed Projects	No. Transferred Projects	% Progress
San Martín	2	2	1	50%
Tocache	10	2	6	60%
Tingo María	2	9	1	50%
Ucayali	11	10	4	36%
TOTAL	25	23	12	48%

Impact of Infrastructure Projects:

- **Families benefited:** 1,843 families in 10 districts and 37 communities with improved access to basic services
- **Employment created:** 14,810 daily wages paid for construction work
- **Transportation networks improved:** Rehabilitation of 12.39 kilometers of road benefitting over 4,000 hectares of licit crops in production
- **Public investment leveraged:** For every \$1 invested by the Program, regional, district and local governments contribute \$.50 in co-financing

Table 40: Public Co-Financing and Program Investment

Target	Investment PDA S/.	Public Investment in Prior Reporting Year	Public Investment in Current Reporting Year	Cumulative Total do Date	% Progress
50%	4,125,997	3,088,845	39,126,326	42,215,171	2046%

Public co-financing to date (S/. 42'215,171) is comprised of:

- 1) Shared formulation of projects with local governments (43 pre-investment Studies, resulting in 9 successfully financed projects) **S/. 30'138,043 (71.39%)**.
- 2) Training and technical assistance for local governments for formulation of 51 proposals for the FONIPREL competition: **S/. 10'299,558 (24.40%)**.
- 3) Shared implementation of 9 projects with local governments and communities: **S/. 1'777,570 (4.21%)**.

Table 41: Public Co-financing and Program Investment by Zone Office

Zone Office	Investment PDA S/.	Total Public Investment	% Investment vs. Target
BELLAVISTA	123,007	17,080,137	13886%
TARAPOTO	121,424	6,924,241	5703%
JUANJUI	151,740	7,564,252	4985%
TINGO MARIA	108,434	2,303,641	2124%
PONGO DE CAYNARACHI	280,539	3,847,418	1371%
NUEVO PROGRESO- PARAISO	1,545,031	2,628,964	170%
CURIMANA-IRAZOLA	452,979	239,279	53%
TOCACHE	781,804	592,595	76%
UCHIZA	625,402	357,341	57%
POLVORA	1,169,334	641,114	55%
CAMPO VERDE - PUERTO INCA	318,143	32,250	10%
AGUAYTIA	343,976	3,940	1%
TOTAL	6,021,812	42,215,171	701%

Table 42: Public Co-financing and Program Investment by Project Type

Type of Project	Investment PDA S/.	Total Public Investment	% Investment vs. Target
<i>Expediente Técnico</i>	374,179	11,469,976	3065%
Roads	807,198	19,506,309	2417%
Electrification Systems	1,721,300	9,122,506	530%
Classrooms	602,459	887,341	147%
Potable Water Systems	475,572	497,541	105%
Bridges	2,012,341	731,498	36%
Community Infrastructure	28,764	0	0%
TOTAL	6,021,812	42,215,171	701%

CHAPTER 3: COMUNICATIONS

This contract year constituted a period of consolidation for the Communications component from regional level public opinion to community work. These efforts enabled the Program to continue to deepen an image not of eradication, but of the development of products, businesses and markets.

This image was cemented by the visits of two members of the Obama Administration: Arturo Valenzuela, Undersecretary of State for Western Hemisphere Affairs and James Steinberg, Deputy Secretary of State that visited Program activities in San Martín. Additionally, delegations of European chefs and chocolate buyers visited cacao-producing communities in San Martín as part of activities in the Salón de Cacao y Chocolate in July. This exposure to international dignitaries and private sector members helped place the Program in the spotlight and highlight its achievements.

In terms of targets, the Program surpassed the community communications goal of 200 communities that organize and implement their own communications processes, as well as develop leaders and community spokesmen trained to address regional and national media outlets. While the strategies designed are not complicated, the processes underway in over 200 communities demonstrate the positive impact on families.

Result 3.1 Communities and Leaders Develop Strategies to Promote the Licit Economy

The Impact of Communications at the Community Level

The Project for Community Communications (PCC) equipped more than 200 communities with loudspeakers and training for community promoters. This capacity to convoke meetings has helped tremendously in community decision-making processes. As Rolando Pérez, a community promoter in Sisa, San Martín noted, “before [our participation in the Project for Community Communications], it took two days to organize a community meeting. Now we can have a meeting in two hours.”

The table below details the community communications effort:

Project for Community Communications 2008-2010

INDICATORS	PUCALLPA AGUAYTÍA	TINGO MARÍA	TOCACHE	SAN MARTÍN	TOTAL
Number of communities with Communications promoters identified	91 (48)	26 (26)	47 (36)	58 (56)	222
Number of Communications promoters that participate in training program	287 (200)	143 (125)	170 (40)	147 (112)	747
Number of media spokespeople identified and trained	33 (28)	49 (0)	29 (8)	27 (20)	138
Number of community media implemented (loudspeakers)	81 (31)	26 (5)	47 (10)	56 (10)	210
Number of community murals implemented	42 (31)	26 (5)	47 (10)	56 (10)	171
Number of community	20 (15)	14 (0)	3 (14)	12 (3)	49

INDICATORS	PUCALLPA AGUAYTÍA	TINGO MARÍA	TOCACHE	SAN MARTÍN	TOTAL
mobilizations undertaken					
Number of materials produced for community communications	40 (22)	10 (3)	30 (10)	16 (8)	96
Number of campaigns for the promotion of best agricultural practices	20 (7)	06 (8)	02 (4)	04 (3)	32

Note: Information in red denotes results for the same indicators in the 2009 Annual Report.

We can see from the table above that the PCC was implemented in 221 communities with 747 promoters trained (66% of who are women). The majority of these promoters can not only produce community communications materials, but also successfully facilitate dialogue and consensus-building within their communities. The loudspeakers and murals permit the diffusion of information of interest to the community and improve communication among its members. Additionally, 138 (75% of who are women) promoters were identified as media spokespeople for training. These promoters will soon have the tools to effectively communicate with regional and national media outlets regarding the Program and the licit economy. Many have already begun doing so with local media.

An unexpected result (but one that is programmed for the 2010-2012 phase of the Program) was the linking of community promoters in zonal networks in Tocache and Uchiza. The San Martín Regional Government will host the first Meeting of Community Promoters in December to help replicate this experience throughout the region.

Post Eradication: An Aggressive Presence in Ucayali

The communications component of post eradication continued apace during this year along with the other technical field activities from Pucallpa to Aguaytia. Particular emphasis was oriented toward the areas of Irazola-Curimaná, in which 30 communities signed Acts of Understanding with DEVIDA.

To date, the Communications component has undertaken the following efforts to bolster the post-eradication process.

- **Daily monitoring of media:** Aguaytía, San Alejandro, Von Humboldt y Pucallpa.
- **Study of media consumption and value scale:** regarding attitudes toward coca and development (more than 1,000 participants surveyed in 30 communities in Campo Verde, Irazola and Curimaná).
- **Structuring of a media platform:** this will permit balanced media coverage in Aguaytia, the area that presents the most difficult working conditions.

The post-eradication efforts are being measured as follows:

**Post Eradication Ucayali
Results (August/September 2010)**

Indicators	OR
Number of communities with Communications promoters identified.	19
Number of Communications promoters that participate in training program	78
Number of community media implemented (loudspeakers)	21
Number of community mobilizations undertaken	2
Number of materials produced for community communications	2

Post eradication work focuses on the public opinion level and the community level. In this sense, the following activities were implemented.

A. Public Opinion

1. PDA Promotion Campaign: promotes the Program and the cacao crop in two different radio spots in order to position the Program image and benefits in post eradication communities. The Program utilized radio stations in Pucallpa and Von Humboldt in order to reach the maximum number of communities in the areas being eradicated by CORAH.

2. CORAH Campaign for Crop Eradication: Radio spots broadcast from Von Humboldt and Pucallpa that link illegal coca with violence and narcotrafficking. These spots were also broadcast with higher intensity in Aguaytia during September.

3. Intense Work with Journalists: This work helped increase Pucallpa media presence in Act of Understanding signing ceremonies with attendance of journalists and 8 media spots to diffuse the proceedings as well as other elements of public interest such as the visit of the USAID Assistant Director and US Embassy personnel to one of the participant communities.

B. Community Work

1. Support Material for Community Socialization: Joint work with technical component yielded a variety of support material such as flyers for community meetings, large posters explaining Program details to communities.

2. Community Theater Benefits of the Licit Lifestyle: To date, 12 presentations in the same number of post eradication communities help illustrate the change that communities taken upon making a commitment to the licit lifestyle.

3. Community Communication Promoters: Seventy eight leaders in 19 communities were identified and will subsequently be trained to become community organizers and promoters of licit development.

4. Community Media: This includes loudspeakers presented to many communities upon the signing of the Act of Understanding with DEVIDA, which will help

community organization and empower promoters to create positive changes in their communities.

Modules for Cacao and Coffee: Transfer of Agricultural Technology

One of the most valuable contributions of the Communications component during the reporting year was the production of educational material necessary to promote the transfer of agricultural technology. These materials helped benefit over 10,000 cacao and coffee growers and also engaged agricultural extensionists in instruction efforts. These efforts were recognized by a variety of institutions linked to agricultural development in the alternative development regions.

Result 3.2 Regional and Local Governments Implement Communications Strategies and Actions in Support of Licit Development

The following table reflects work undertaken to consolidate alliances with regional and local governments:

Communications and Governance Indicators 2008-2010

INDICATORS	PUCALLPA AGUAYTÍA	TINGO MARÍA	TOCACHE	SAN MARTÍN	TOTAL
Number of local governments receiving technical assistance for the design of a communications plan	03 (2)	03 (0)	02 (1)	19 (19)	25
Number of Communications campaigns developed by local governments (transparency, accounts rendering, etc.)	02 (3)	(5)	01 (5)	06 (2)	09
Number of public servants trained in Communications	30 (7)	06 (0)	20 (0)	38 (16)	94
Number of events promoting licit development sponsored by local governments	08 (8)	(6)	(6)	06 (2)	14

Note: Data in red reflect prior year reporting results for comparison purposes.

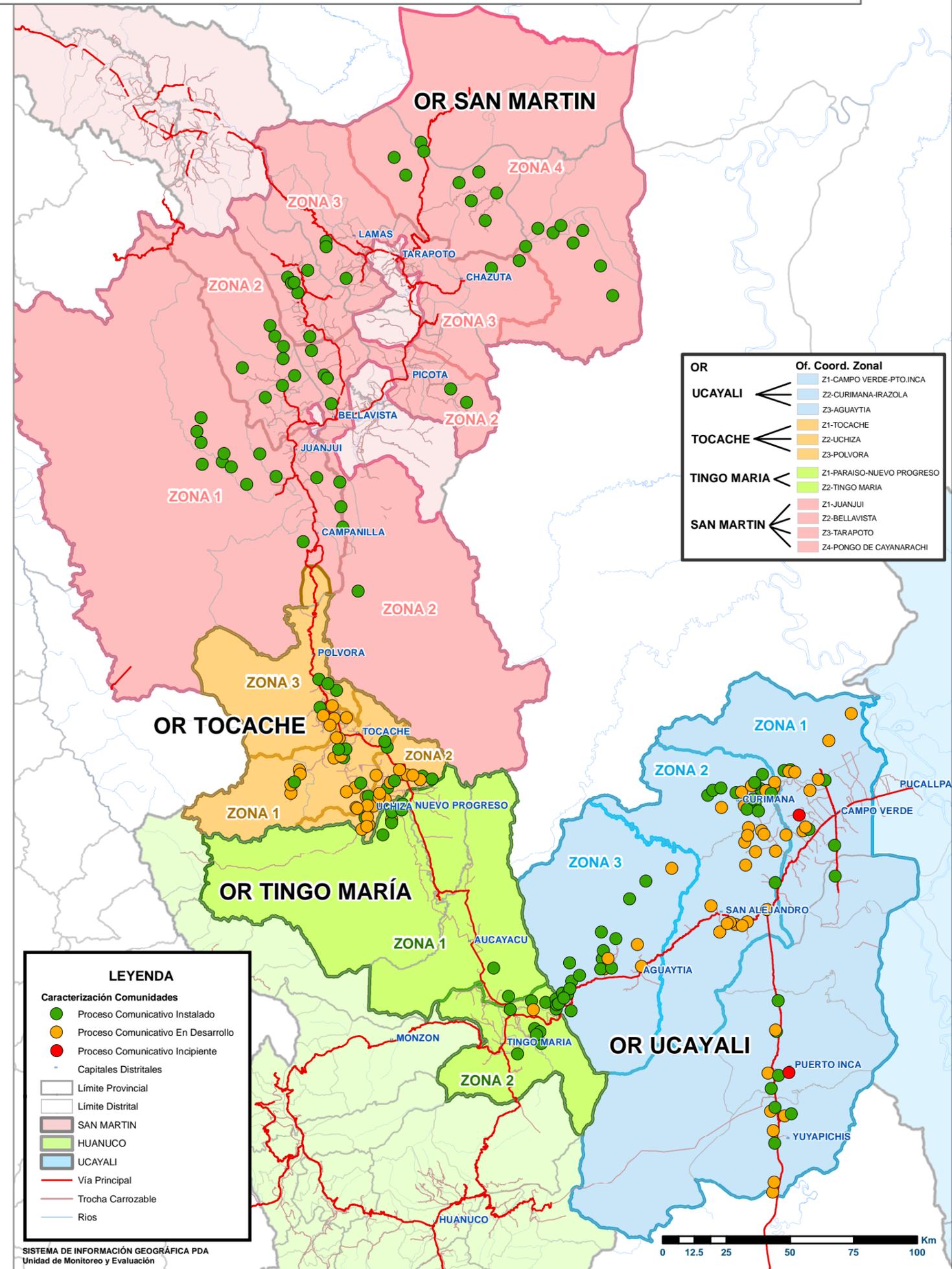
In San Martín, the Program continued its support for the design and implementation of the communications plan for this regional government (GORESAM). Activities in this plan include:

- **Formation of Inter-institutional Communications Committee for GORESAM:** This committee brings together the Communications specialists of the regional government, other central government ministries (Education, Transportation, Health) and the Special Projects (PEAM). This committee is in charge of the Communications project for GORESAM and has trained many public servants in the regional and local governments.
- **Strategic Alliance with AMREASM to Strengthen Communications of Local Governments:** This alliance seeks to train public servants of local governments in communications skills as well as to unite them in a network of local government communications professionals in San Martín. This network will be officially sanctioned by AMRESAM upon its conformation.

CATEGORIZACIÓN DE COMUNIDADES SEGÚN SUS PROCESOS COMUNICATIVOS

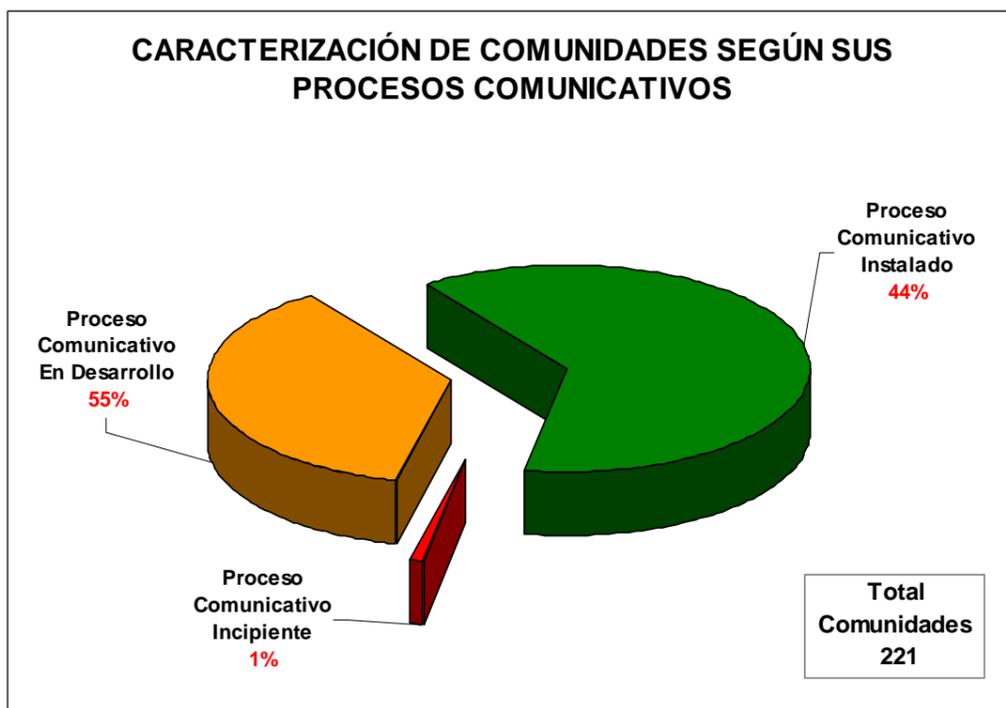
CARACTERIZACIÓN DE COMUNIDADES SEGÚN SUS PROCESOS COMUNICATIVOS POR OFICINA REGIONAL

Dirección Regional	Coordinación Zonal	Total Comunidades	Comunidades con Proceso Comunicativo Incipiente	Comunidades con Proceso Comunicativo En Desarrollo	Comunidades con Proceso Comunicativo Instalado
SAN MARTIN	JUANJUI	16	0	0	16
	BELLAVISTA	15	0	0	15
	TARAPOTO	11	0	0	11
	PONGO DE CAYNARACHI	16	0	0	16
TOTAL SAN MARTIN		58	0	0	58
TINGO MARIA	NUEVO PROGRESO-PARAISO	12	0	2	10
	TINGO MARIA	14	0	1	13
TOTAL TINGO MARIA		26	0	3	23
TOCACHE	TOCACHE	16	0	12	4
	UCHIZA	24	0	19	5
	POLVORA	7	0	3	4
TOTAL TOCACHE		47	0	34	13
UCAYALI	CAMPO VERDE - PUERTO INCA	33	2	18	13
	CURIMANA-IRAZOLA	35	0	21	14
	AGUAYTIA	22	0	5	17
TOTAL UCAYALI		90	2	44	44
GRAN TOTAL		221	2	81	138



OR	Of. Coord. Zonal
UCAYALI	Z1-CAMPO VERDE-PTO.INCA
	Z2-CURIMANA-IRAZOLA
	Z3-AGUAYTIA
TOCACHE	Z1-TOCACHE
	Z2-UCHIZA
	Z3-POLVORA
TINGO MARIA	Z1-PARAISO-NUOVO PROGRESO
	Z2-TINGO MARIA
SAN MARTIN	Z1-JUANJUI
	Z2-BELLAVISTA
	Z3-TARAPOTO
	Z4-PONGO DE CAYNARACHI

CARACTERIZACIÓN DE COMUNIDADES SEGÚN SUS PROCESOS COMUNICATIVOS



LEYENDA	
Caracterización Comunidades	
●	Proceso Comunicativo Instalado
●	Proceso Comunicativo En Desarrollo
●	Proceso Comunicativo Incipiente
□	Capitales Distritales
—	Límite Provincial
—	Límite Distrital
■	SAN MARTIN
■	HUANUCO
■	UCAYALI
—	Via Principal
—	Trocha Carrozable
—	Rios

- **Strategic Alliance Between Communications Committee and Community Communications Specialists:** A unique experience to date in Peru, this Alliance will link the regional government and other public entities to the community Communications platform implemented by the Program. This will increase presence of the State in communities as well as strengthen the links between communities and the public sector.

Work in Ucayali. In Padre Abad, more than 10 local government leaders were trained in the formulation of communications plans to be implemented by their respective municipalities. The success of this program resulted in its replication with the Ucayali Regional Government, in which 20 civic leaders were trained to formulate a similar plan to promote development, community relations, social marketing and other types of communications campaigns.

Activities in Tingo María. A program titled “Communications Management for Development” was undertaken through the strategic alliance with the Universidad Nacional Hermilio Valdizán in order to train 28 district government communications specialists in the areas of sustainable development, campaigns for social promotion and local development initiatives.

Result 3.3 National and Regional Population View the Program as an Effective Option for Licit Development and are Favorable toward Coca Eradication

During this reporting year, the oft-used phrase by Program detractors that “alternative development is a failure” was unsuccessful in resonating with the general population as Program accomplishments were evident in highly publicized programs such as the San Martín Model as a study in how a joint effort between national, regional and local governments in alliance with the private sector, producer organizations and civil society can yield positive, sustainable results in social and economic development. This development model’s progress was bolstered by high cacao production and the promotion of a nascent chocolate-producing industry. This combination of factors received national and international attention during the year.

Cornerstone Visits: Msrs. Steinberg and Valenzuela in Tarapoto

Two key visits during this year afforded opportunities to position the Program in international media as never before. First, the visit of Deputy Secretary of State James Steinberg in January to San Martín yielded an article in CNN and one in Time magazine, in addition to over 20 other international media outlets. All press reflected the positive impressions Mr. Steinberg had of his experience learning of alternative development successes in Peru.

A few months later in April, Arturo Valenzuela, Undersecretary of State for Western Hemisphere Affairs, also visited Tarapoto in order to learn about the San Martín Model and mentioned it specifically afterward to the international press before his return to Washington, DC.

The Year of Chocolate in Peru

A potent symbol of Peruvian cacao is chocolate. Since Peruvian cacao was recognized as one of the finest quality cacaos in the Salón de Chocolate 2010, the spotlight was on events highlighting the nascent chocolate production. The following events helped raise the profile of chocolate in Peru:

Presentation of the book “Chocolate from Peru to the World”

This event in December 2009, with the presence of US Ambassador Michael McKinley, served to inaugurate the year’s events centered on chocolate. The book recounts the story of chocolate, from the field to the final product, as well as the lives of producers and other important actors in the process. It is also filled with numerous recipes based on cacao and provided by top Peruvian chefs.

1st Salón del Cacao y Chocolate en Perú (July 2010). This three day event held in the Lima Sheraton Hotel to showcase Peruvian cacao and chocolate had an overwhelming turnout from the public. The salon was filled with chocolate buyers, products and renowned chefs showcasing exquisite recipes with Peruvian cacao and chocolate.

The organization of the event by a multi-institutional committee of public and private sector actors permitted the Program to deepen relations with a variety of strategic partners that will continue to support the nascent value chain of Peruvian chocolate and cacao.

Mistura Food Fair (September 2010). This is the most important Peruvian gastronomic event, which, now in its 5th year, has also proved to be a cornerstone of culinary events in Latin America. During the course of its four days, over 200,000 people attended and the media impact was international in scope. The Program had its own booth with a special Chocolate Corner featuring cacao and chocolates from APPCACHO associations. The success of the participation in this event has highlighted its importance and motivated the Program to commit to presence in 2011. In the same way that the Salon del Cacao y Chocolate provided ample media exposure for the Program, coverage for Mistura comprised various media formats and orientations (specializing in culinary issues) and provided unique opportunities for the Program to promote market actors and the importance of cacao in fine chocolate.

Regional Cacao Events

In the same way that Lima played host to a variety of events promoting the importance of chocolate, the Program regions also held similar events to promote the culture of cacao and chocolate. This included communities and producer committees producing artisanal-grade chocolate as well as the Consorcio Amazónico producing four different chocolates to represent each area in which their cacao is grown: Lamas, Tingo María, Tocache and Juanjuí. Events to promote cacao and chocolate included the ExpoCacao in Tocache (December); the Chocolate and Cacao Week in Juanjui, which unites thousands of cacao producers from neighboring valleys; the Cacao Festival in San Alejandro and the Gastronomic Fair in Pucallpa, in which women’s groups supported by the Program had a stand and displayed their products.

Promotion Fairs and Events

During the reporting year, the Program had a particularly intense participation in a series of promotion events, which produced visible favorable impacts in media, public opinion and also provided excellent opportunities to deepen strategic relations with public and private partners.

CADE 2009: Inaugural Participation in Capstone Private Sector Event

For over 30 years, the Annual Conference of Business Executives (CADE) has united over 800 business executives in order to discuss relevant national issues and the economic and social future of the country. In 2009, USAID, with its programs PDA and PRA, participated in this important event with a stand featuring products from both projects in order to accede to this important audience of high level private sector decision makers.

Expoamazónica: The Peruvian Amazon in Lima

This fair was held by the Municipality of Lima and co-organized by the Ministry of Agriculture and Program staff. With the Parque de la Exposición as venue, over 49 stands of Program-supported institutions from San Martín, Huánuco and Ucayali displayed their products from the Peruvian Amazon for the Lima public. As a result of this promotion, over 247 initial contact meetings were held with potential buyers. Since the event was open to the general public, the Program stands received over 45,000 visits, according to the event organizers.

Expoalimentaria Export Fair: Peru

This year's Expoalimentaria Fair amply surpassed the dimensions of last year's event. At least double the space, twice the number of stands, participants and buyers as well as an improved presentation quality characterized the export fair. The Program was present again this year with an expansive space in which organizations and products were displayed. In addition to showing the progress of the Program, the fair also marked an occasion for organizations such as the Consorcio Amazónico and Agroindustrias Mayo to present themselves as effective players in a competitive market. The Consorcio Amazónico took advantage of the occasion to launch a new line of chocolates. The Program stand was inaugurated by Bruce Williamson, US Embassy DCM, along with the participation of key USAID and DEVIDA staff as well as key private and public sector actors such as the new Minister of Agriculture, Rafael Quevedo and International Commerce, Eduardo Ferreyros.

Selva Ganadora: A New Entrepreneurial Focus

Now in its second year, Selva Ganadora enlisted a new strategic partner in Somos Empresa, a private sector actor firmly identified with entrepreneurial efforts. This helped add a different flavor to the community initiative competition, linking it with social and economic dynamism. The activities for Selva Ganadora began in April, and as of the writing of this report, visits were underway to the 24 finalist communities. The ample appeal of Selva Ganadora this year was expressed in the 421 community entries (compared with 281 from 2009). In addition to the inaugural events in Pucallpa,

Tarapoto and Tingo María, various TV reports were released to focus attention on interesting initiatives and in August, the selection of finalists began. The much-anticipated month of December will mark the awarding of the prizes to the winning communities.

Operational Research: The Key to Successful Strategic Implementation

In addition to implementation activities, the Communications component also undertakes studies which help inform strategic decision making processes. Two of the major studies from the reporting year are mentioned below.

Baseline Information: Measuring Impact on Public Opinion

The baseline information study measured public opinion toward the Program as well as opinions regarding licit development and illegal coca. An initial follow up measurement exercise was conducted and the results were shared with USAID. This follow up measurement enabled comparison and contrast with the baseline and allowed Program decision makers to identify problem areas and focus priorities on strategies most effective to address new challenges in areas such as Aguaytia where perceptions concerning the Program are less positive than other valleys.

Post Eradication Media Studies

Information on media consumption was of vital importance to help secure a foothold in new post eradication areas in Ucayali. As CORAH continued with its programmed eradication, the Program surveyed over 1,000 households in Campo Verde, Irazola-San Alejandro and Curimaná in order to have a better understanding of which news sources are most important and credible in these areas. With this information, the Program continues to refine its strategy for placement of spots and publications in local media in order to be effective. Additionally, a baseline survey regarding public opinion and the Program as well as illegal coca will also be conducted before the end of the calendar year.

CHAPTER 4 - MONITORING AND EVALUATION

The Monitoring and Evaluation component is responsible for collecting and processing various types of data for all Program components in order to provide information for strategic decision making for achieving contract results. To this end, the programmatic activities included the following during the reporting year:

1. Support for the registry and analysis of data concerning Program components:
 - Economic and social development
 - Communications
 - Establishment of new licit hectares
 - Agricultural productivity
 - Access to financial services
 - Organizational strengthening
 - Gender
 - Infrastructure projects
2. Technical support in post eradication activities
3. Verification of the establishment of 24,000 licit hectares (contract target)
4. Implementation of urban opinion survey (4 major urban areas) as well as Program perception survey in post eradication areas
5. Production of reports and maps that illustrate Program progress and inform decision making.

1. Data Collection

- During the reporting year, 2,216 families were incorporated into the Program, which brought the total number of participants in productive projects to 24,921 in over 837 communities.
- The Program incorporated 24 communities and 788 families in the post eradication activities in Ucayali.

2. Verification of Activities

During the reporting year, the following verification activities were undertaken:

- **Crop Verification for Contract Target:** One of the principle contract targets was the establishment of 24,000 hectares of licit crops. The verification of this establishment was undertaken utilizing a sample that encompassed all Program valleys. In addition to the physical installation of hectares, other important findings included:
 - a. Over 70% of verified cacao/coffee parcels had appropriate temporary or permanent shade crops
 - b. Fifty percent (50%) of the farmers interviewed affirmed that they employ fertilizing technology and pest control.
 - c. Thirty two percent (32%) affirmed their membership in a producer organization

3. Urban Perception Survey and Consumption of Media in Post Eradication Areas

In March of the reporting year, the second wave of surveys was conducted to measure public perception in principle urban areas and in August, a media consumption survey was conducted in post eradication areas in Ucayali (Von Humboldt, Neshuya, Curimaná, Campo Verde). The M&E unit provided support to Communications component in the validation of the instruments used in the survey, supervision of field work and preliminary data analysis for conclusions.

4. Context

Sociopolitical Context

- During the reporting year, CORAH eradicated a total of 3997.2 hectares of illegal coca in Ucayali and 4,099.6 hectares in Huánuco. Of this coca, approximately 3,800 hectares were planted during the last three years.

Region	District	Hectares of Illegal Coca Eradicated by CORAH
HUANUCO	JOSE CRESPO Y CASTILLO	1,800.7
HUANUCO	DANIEL ALOMIA ROBLES	1,137.1
HUANUCO	HONORIA	462.8
HUANUCO	TOURNAVISTA	656.8
HUANUCO	NUEVA REQUENA	42.2
UCAYALI	CURIMANA	69.6
UCAYALI	PADRE ABAD	1749.6
UCAYALI	CAMPO VERDE	1,140.8
UCAYALI	IRAZOLA	1,037.2
TOTAL		8,096.8

- This eradication and other social instability caused the Program to suspend activity a total of 52 days during the reporting year. In Ucayali, suspension totaled 27 days; in Tocache 5 days; in Tingo María, 20 days. The presence of Shining Path in the districts of Hermilio Valdizán, Daniel Alomía Robles and Padre Felipe Luyando made implementation of Program activities difficult in more isolated portions of these districts.
- Sub-national elections in November of the reporting year affected public opinion regarding the Program in areas such as Aguaytia, Tingo María and Tocache, whose organized cocalero leadership and presence of narcotrafficking cartels helped mark the discourse of candidates whose anti-Program stance was exacerbated by frequent rallies and public gatherings.

ANNEX 2

COMPONENTE 1: DESARROLLO ECONOMICO
 RESULTADO 1.2: CAPACIDAD INCREMENTADA PARA LA GESTIÓN DE LAS ORGANIZACIONES PRIMARIAS DE LOS PRODUCTORES.
 INDICADOR: NUMERO DE ORGANIZACIONES QUE SUBEN DE CATEGORÍA EN SU CAPACIDAD DE GESTION ORGANIZACIONAL

LINEA DE BASE	META	ESTADO ACTUAL				AVANCE TRIMESTRE ENERO - MARZO 2009	AVANCE TRIMESTRE ABRIL - JUNIO 2009	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2009	AVANCE TRIMESTRE OCTUBRE - DICIEMBRE 2009	AVANCE TRIMESTRE ENERO - MARZO 2010	AVANCE TRIMESTRE ABRIL - JUNIO 2010	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2010	OBSERVACIONES
		CUMPLIMIENTO DE METAS	ORGANIZACIONES	SIGLAS	PRODUCTO								
0	15 Organizaciones de Productores Incrementan su Capacidad de Gestión y Suben de Categoría	30 Organizaciones de productores cuentan con capacidades de gestión organizativa y empresarial eficientes.	1	Cooperativa Agraria Cacaotera ACOPAGRO	ACOPAGRO	CACAO	03 organización de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; AGROFLORA, Juan Velasco Alvarado y APCU	12 organización de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; ALLIMACACAO, FUERZA DEL MAÑANA, ASPROC - NBT, ACEPAT, ACPPT, ACPAHT, APAU, AGDUO, COCEPU, COCEPASA, COPPU, ASPASH.	09 organizaciones de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; CAS DORADO, CA GRAN SAPOSOA, COPAMON, AP LEDOY, AP LUZ DE VIDA, AP NUEVO AMANECER, CAC CAMPO VERDE, NUEVO AMANECER Y APCTVSH	01 organización de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; CP CACAO	03 organizaciones de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; APROCABE y VERDE AMAZONICO	01 organizaciones de productores en proceso de mejorar sus capacidades de gestión organizativa y empresarial; CAI PROGRESO	01 organizaciones participantes del PDA firmaron convenio en el presente trimestre para fortalecer y consolidar su sistema organizativo, empresarial y comercial (CAI PROGRESO)
			2	Cooperativa Agraria Cafetalera Oro Verde	CAC ORO VERDE	CAFÉ Y CACAO							
			3	Asociación de Productores de Palmito	APROPAL	PALMITO							
			4	Asociación de Productores Agropecuarios de Chazuta	ALLIMACACAO	CACAO							
			5	Comité de Productores Montevideo	COPAMON	PANELA							
			6	Cooperativa Agraria Gran Saposoa	CA GRAN SAPOSOA	CACAO							
			7	Cooperativa Agraria de Servicios El Dorado	CAS DORADO	CAFÉ Y CACAO							
			8	Asociación de Productores LEDOY	AP LEDOY	LACTEOS							
			9	Asociación de Productores de Cacao de Picota	APROCAP P	CACAO							
			10	Asociación Verde Amazonico	VERDE AMAZONICO	CACAO							
			11	Asociación de Productores de Cacao de Bellavista	APROCABE	CACAO							
			12	Cooperativa Agraria Cafetalera La Divisoria	CAC DIVISORIA	CAFÉ Y CACAO							
			13	Cooperativa Agro Industrial Naranjillo	CAI NARANJILLO	CACAO Y CAFÉ							
			14	Asociación de Floricultores del Huallaga	AGROFLORA	FLORES							
			15	Asociación de Productores Agropecuarios Juan Velasco Alvarado	AP JVA	CACAO							
			16	Asociación de Productores Luz de Vida	AP LUZ DE VIDA	CACAO Y PALMA							
			17	Asociación de Productores Nuevo Amanecer	AP NUEVO AMANECER	CACAO Y PALMITO							
			18	Cooperativa Agraria Industrial Progreso	CAI PROGRESO	CAFÉ Y CACAO							
			19	Cooperativa Agro Industrial Tocache	CAI TOCACHE	CACAO							
			20	Asociación de Productores Cacaoteros de Uchiza	APCU	CACAO							
			21	Asociación de Mujeres Confeccionistas la Fuerza del Mañana	FUERZA DEL MAÑANA	PRENDAS							
			22	Asociación de Productores de Cacao Nuevo Bambamarca - Tocache	ASPROC - NBT	CACAO							
			23	Asociación Central de Palmicultores de la Provincia de Tocache	ACEPAT	PALMA							
			24	Asociación de Ganaderos del Distrito de Uchiza "El Oriente"	AGDUO	GANADERÍA							
			25	Asociación Central de Productores de Cacao de Tocache	CP CACAO	CACAO							
			26	Comité Central de Plasmicultores de Ucayali	COCEPU	PALMA							
			27	Cooperativa Agraria Cacaotera Campo Verde	CAC CAMPO VERDE	CACAO							
			28	Asociación de Productores Nuevo Amanecer	NUEVO AMANECER	PALMA							
			29	Consorcio de Productores de Plátano de Ucayali	COPPU	PLATANO							
			30	Asociación de Palmicultores de Shambillo	ASPASH	PALMA							
			31	Asociación de Productores Cacaoteros Tecnificados del Valle Shambillo	APCTVSH	CACAO							

ANNEX 3: Producer Association Membership in Program Areas

ASOCIATIVIDAD EN ZONAS PDA

REGIÓN		ORGANIZACIÓN	PRODUCTO	COMITES	BASE SOCIAL A SEPTIEMBRE 2010	
					TOTAL	PDA
SAN MARTÍN	1	ACOPAGRO	Cacao		1674	835
	2	CAC ORO VERDE	Café y Cacao		1197	687
	3	APROPAL	Palmito		420	252
	4	ALLIMACACAO (EX - APA CHAZUTA)	Cacao		0	0
	5	COOPALGSA	Cacao	10	201	201
	6	ASOCIACIÓN DE PRODUCTORES DE CACAO DE PICOTA - APROCAPP	Cacao		180	135
	7	ASOCIACIÓN PROVINCIAL DE CACAOTEROS DE BELLAVISTA - APROCABE	Cacao		135	115
	8	ASOC. GANADEROS LEDOY y COMITES INDEPENDIENTES	Leche	4	111	28
	9	COMITÉS INDEPENDIENTES DE CACAO BAJO HUALLAGA	Cacao	40	733	680
	10	COMITÉS DE GANADEROS EN BAJO HUALLAGA	Cacao	13	221	185
	11	COMITES INDEP. ROMEX SA	Cacao	37	922	879
	12	COMITÉS INDEP. ALORSELVA SAC	Cacao	9	222	198
TINGO MARÍA	1	CAC DIVISORIA	Café y Cacao	37	666	535
	2	CAI NARANJILLO	Café y Cacao	36	3000	537
	3	CAI PROGRESO	Café y Cacao		81	61
	4	AGROFLORA	Flores Tropicales		70	50
	5	ECOMUSA MONTEVIDEO	Queso		35	35
	6	ASOC. MUJERES VALDIZANAS	Flores Tropicales		20	15
	7	ASOC. CUNA DEL CACAO	Flores Tropicales		12	10
	8	ASOC. JUAN VELASCO ALVARADO	Cacao		67	27
	9	ASOC. NUEVO AMANECER	Cacao		48	0
	10	ASOC. LUZ DE VIDA	PALMA		76	0
TOCACHE	1	CA TOCACHE	Cacao		612	573
	2	APCU	Cacao		80	80
	3	FUERZA DEL MAÑANA	Prendas		5	3
	4	ASPROC - NBT	Cacao		180	180
	5	CP CACAO	Palma Aceitera		207	207
	6	ACPT	Café		51	9
	7	APAAHT	Arroz		250	88
	8	APAU	Arroz		63	19
UCAYALI	1	COCEPU	Palma		510	100
	2	ACPAFMA	Cacao, Palma e Higuerrilla		400	345
	3	COMITES INDEP. CAMPO VERDE	Cacao	39	390	390
	4	COMITES INDEP. IRAZOLA	Cacao	4	72	72
AGUAYTÍA	1	COPPU	Platano		200	155
	2	ASPASH	Palma		286	217
	3	APCTVSH	Cacao		120	100
TOTAL BASE SOCIAL				229	13517	8003

Nro de Organizaciones	31
Nro de comites independientes	229

ANNEX 4: Q Grader Training Course

PROGRAMA DE FORMACIÓN DE CATADORES Q GRADER

N°	PROGRAMAS / AÑO	N° DE INSCRITOS	CALIFICADOS PARA PROGRAMA Q	CATADORES GRADUADOS Q-GRADER's	LIDERES QUE NO ALCANZAN LA CERTIFICACIÓN	MODULOS DE ENTRENAMIENTO O EJECUTADOS	MODULOS DE ENTRENAMIENTO POR EJECUTAR
1	Programa de Formación 2008	20	16	16	0	3	0
2	Programa de Formación 2009	22	16	16	0	3	0
3	Programa de Formación 2010	18	16	0*	0	2	1
TOTALES		60	48	32	0	8	1

* El examen de certificación se realizará en el mes de noviembre del 2010

CONTENIDO DE MODULOS Q GRADER

N°	Nombre de Modulo
1	Evaluación física de Café según protocolo de la SCAA.
2	Identificación de olores y sabores básicos en el café.
3	Tostado y Molienda de muestras de cafés según protocolo de la SCAA.
4	Análisis sensorial de muestras de cafés según protocolos de la SCAA.

ANNEX 5: Leadership Training for Producer Organization Leaders

ESCUELA DE LIDERES COOPERATIVISTAS AGRARIOS - ELCA

N°	OFICINA ZONAL	ORGANIZACIÓN	N° DE PARTICIPANTES	LIDERES COOPERATIVISTAS GRADUADOS	LIDERES QUE NO ALCANZAN EL 100 % DE COMPETENCIAS	MODULOS EJECUTADOS	MODULOS POR EJECUTAR
1	Tingo María	CAI Naranjillo	30	24	6	8	0
2	Tocache	CA Tocache, ASPROC NBT, APCU y CP CACAO	30	28	2	8	0
3	Ucayali	COCEPU	30	0	0	4	4
TOTALES			90	52	8	20	4

CONTENIDO DE MODULOS ELCA

N°	Nombre de Modulo
1	CALIDAD HUMANA
2	REGLAMENTACIÓN COOPERATIVA
3	PLANIFICACIÓN ESTRATEGICA EN COOPERATIVAS
4	CONTROL INTEGRAL DE DESEMPEÑO TÉCNICO ADMINISTRATIVA
5	FORTALECIMIENTO DE LA BSE SOCIAL Y LA COOPERATIVA
6	MECANISMOS DE REPRESENTATIVIDAD
7	MEDIOS DE INFORMACIÓN Y COMUNICACIÓN
8	GESTION DE RECURSOS ECONOMICOS PARA LAS COOPERATIVAS

ANNEX 6: Community Leaders Training Courses

ESCUELA DE LIDERES COMUNALES - ELCO

N°	OFICINA ZONAL	COMUNIDADES	N° DE PARTICIPANTES	LIDERES COMUNALES GRADUADOS	LIDERES QUE NO ALCANZAN EL 100 % DE COMPETENCIAS	MODULOS EJECUTADOS	MODULOS POR EJECUTAR
1	Tingo María	Nuevo Progreso y Paraiso	34	17	17	4	0
2	Ucayali	Campo Verde y Pucallpa	30	0	0	1	3
TOTALES			64	17	17	5	3

CONTENIDO DE MODULOS ELCO

N°	Nombre de Modulo
1	CALIDAD HUMANA
2	DIAGNOSTICO Y PLANES PARA EL DESARROLLO PRODUCTIVO
3	DESARROLLO DE CAPACIDADES PARA LA ORGANIZACIÓN
4	FORMULACION Y GESTIÓN DE PROYECTOS DE DESARROLLO PRODUCTIVO

ANNEX 7: Private Investment in Program Areas

COMPONENTE 1: DESARROLLO ECONOMICO
 RESULTADO 1.3: INVERSIÓN PRIVADA PROMOVIDA EN EL AMBITO DEL PROGRAMA
 INDICADOR: NUMERO DE EMPRESAS INVIRTIENDO EN LAS ZONAS DE INTERVENCION DE PDA

LINEA DE BASE	META	ESTADO ACTUAL	INICIO DE OPERACIONES	AVANCE TRIMESTRE ENERO - MARZO 2009	AVANCE TRIMESTRE ABRIL - JUNIO 2009	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2009	AVANCE TRIMESTRE OCTUBRE - DICIEMBRE 2009	AVANCE TRIMESTRE ENERO - MARZO 2010	AVANCE TRIMESTRE ABRIL - JUNIO 2010	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2010	DIFERENCIA POR LOGRAR
				0	10 empresas privadas invierten en zonas PDA	11 empresas privadas realizando inversiones y coinversiones en zonas PDA	1 PRONATEC (cacao) 2007 2 ROMERO TRADING (cacao) 2002 3 LACTEOS SAN MARTÍN (lacteos) 2008 4 AMAZON IVORY (piasaba y yarina) 2007 5 SUATEINABLE HARVEST (café) 2007 6 T CHO (cacao) 2009 7 BIOANDES (Caña) 2009 8 ALORSELVA (Cacao) 2009 9 AMAZONAS TRADING (Cacao) 2009 10 OUTSPAN PERU (Café) 2010 11 SUMAQAO (Cacao) 2010	3 empresa privadas: SUSTEINABLE HARVEST, T CHO y LACTEOS SAN MARTÍN, ROMERO TRADING	01 empresa privadas inicia inversiones en zonas PDA; BIOANDES	00 empresa privadas	

ANNEX 8: Public/Private Partnerships in Program Areas

COMPONENTE 1: DESARROLLO ECONOMICO
 RESULTADO 1.3: Inversión privada promovida en el ámbito del programa
 INDICADOR: Número de convenios de inversión pública privada firmados para el desarrollo de actividades económicas en el ámbito PDA, al finalizar el proyecto.

LINEA DE BASE	META	ESTADO ACTUAL	AVANCE TRIMESTRE ENERO - MARZO 2009	AVANCE TRIMESTRE ABRIL - JUNIO 2009	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2009	AVANCE TRIMESTRE OCTUBRE - DICIEMBRE 2009	AVANCE TRIMESTRE ENERO - MARZO 2010	AVANCE TRIMESTRE ABRIL - JUNIO 2010	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2010	DIFERENCIA POR LOGRAR
			0	04 Alianzas Público Privadas incrementadas y sostenibles	04 alianzas público privadas implementadas en zonas PDA	02 Alianzas Formalizadas: SUSTEINABLE HARVEST y T-CHO	00 Alianza Público Privada Formalizadas	00 Alianza Público Privada Formalizadas	00 Alianza Público Privada Formalizadas	

ANNEX 9: Business Purchasing Products in Program Areas

COMPONENTE 1: DESARROLLO ECONOMICO

RESULTADO 1.5: Articulación comercial de la producción a nuevos compradores.

INDICADOR: Número de nuevas empresas formales que compran productos provenientes del PDA.

LÍNEA DE BASE	META	ESTADO ACTUAL		PRODUCTO	INICIO DE OPERACIONES	AVANCE TRIMESTRE ABRIL - JUNIO	AVANCE TRIMESTRE JULIO - SEPTIEMBRE	AVANCE TRIMESTRE OCTUBRE - DICIEMBRE	AVANCE TRIMESTRE ENERO - MARZO 2010	AVANCE TRIMESTRE ABRIL - JUNIO 2010	AVANCE TRIMESTRE JULIO - SEPTIEMBRE 2010	DIFERENCIA POR LOGRAR	
0	05 empresa privada formal inicia relaciones comerciales en la región	07 empresas inician relaciones comerciales.	1	LACTEOS SAN MARTÍN	LECHE	2008	02 empresas inician relaciones comerciales; AMAZONAS TRADING y BIOANDES	01 empresas inician relaciones comerciales; ALORSELVA (inicia comercialización de cacao)	01 empresas inician relaciones comerciales; PRONATEC (Ingreso al ámbito de Ucayali)	01 empresas inician relaciones comerciales; PRONATEC (Ingreso al ámbito de Uchiza, Bambamarca y Nuevo Horizonte)	01 empresas inician relaciones comerciales; SUMAQAO	00 empresas inician relaciones comerciales;	00 empresa por iniciar relaciones comerciales
			2	T CHO	CACAO	2008							
			3	AMAZONAS TRADING	CACAO	2009							
			4	BIOANDES	CAÑA	2009							
			5	ALORSELVA	CACAO	2009							
			6	PRONATEC	CACAO	2009							
			7	SUMAQAO	CACAO	2010							

ANNEX 10: Value Chain Commodity Information

Cacao:

Es el principal agro negocio apoyado por el Programa atendiendo en la actualidad un total de 31,765 ha, Los buenos precios que el cacao viene presentando en los últimos años y la buena imagen de la calidad del cacao peruano en el exterior, han generado una gran expectativa en los productores para ampliar sus áreas de cultivo, mejorar la calidad, elevar la rentabilidad y fortalecer sus organizaciones, aunque se estima que sólo el 25% de los productores están organizados.

La fluctuación del precio de cacao pagado al agricultor ha tenido una curva ascendente en el presente periodo (oct 2009 – Set 2010), pasando de un promedio de S/. 4 Kg. en el mes de octubre 2009 a S/. 7.3 soles en septiembre del 2010, esto debido a la gran demanda de producto y el incremento de los precios que se finan en la bolsa.

Actualmente han ingresado a la zona nuevos acopiadores que se suman a las cooperativas y empresas que vienen acopiando en la zona por años, como **ROMEX** y **Machu Picchu Trading**, las cuales ya desarrollan relaciones comerciales con productores organizados, los nuevos acopiadores ingresan a la zona por la coyuntura de precios de cacao, pero no desarrollan una relación de largo plazo a los productores a excepción de **Sumaqao** empresa de la internacional PRONATEC. Esta competencia esta generando que los productores muchas veces no cumplan con la entrega de su producción a sus organizaciones lo cual podría generar problemas en el cumplimiento de contratos.

En el presente periodo como Programa apoyamos el desarrollo de algunas iniciativas de procesamiento de cacao para la producción del chocolate de calidad con alto contenido de cacao, tales como:

- Empresa Industrias Mayo (Chocolates La Orquídea),
- Consorcio Cacao Amazónico, que ha producido 4 variedades de chocolates de origen,
- Cooperativa Naranjillo que produce el chocolate gran inca, y la producción de chocolate para taza, chocotejas y
- Chocolates artesanales por parte de pequeños grupos de productores como la asociación de Mujeres Chocolateras MISKICACAO de Chazuta, la RED de mujeres cacaoteras promovida conjuntamente con APPCACAO, la cooperativa campos verdes y ASPROT y CPCACAO en Tocache.

Café

El café es el primer producto de agro exportación del país y es la segunda cadena en extensión promovida por el Programa. Las zonas altas donde trabajamos presentan las características edafo climáticas propicias para desarrollar cafés de calidad, que alcancen un puntaje en taza superior a los 80 puntos.

En el presente año el precio de café en al bolsa de Nueva York ha tenido un mínimo de 129,9 US\$/qq y un máximo de 163.25, presentando un gran crecimiento a partir del mes de Junio.

A nivel local el precio mínimo pagado ha sido de S/ 5 el Kg. y en septiembre se viene pagando 7.23 S/Kg. En el caso de los productores organizados se debe tomar en cuenta que al final del año recibirán una liquidación por los diferenciales obtenidos por su organización.

El Programa ha venido trabajando con las cooperativas, Oro verde, Divisoria, Naranjillo y asociaciones tales como: Asociación de productores de café de Tocache y Santa Rosa Km. 200, para que mejoren la calidad de su producto, en el caso de las primeras para que consoliden su participación en los mercados internacionales y en el caso de las segundas para que comiencen a trabajar la comercialización a nivel local de café de calidad, promoviendo alianzas comerciales y desarrollando capacidades que permitan mejorar la post cosecha del café.

Palmito

Es otra de las cadenas apoyadas por el Programa. En el corredor Pongo de Caynarachi – Yurimaguas, se han instalado 1,332 hectáreas de pijuayo para palmito, beneficiando a 687 productores, además los productores con el apoyo de otras instituciones han sembrado por lo menos otras 1,000 hectáreas adicionales de pijuayo; esto quiere decir que actualmente existen unas 1, 500 hectáreas de pijuayo en producción; las restantes entrarán a producir en el siguiente año.

Gran parte de los productores de la zona están organizados en la Asociación de Productores de Palmito Alianza – APROPAL; esta organización cuenta con una planta para procesar el producto en la misma localidad de Alianza – distrito de Pongo de Caynarachi. Uno de los logros más importantes de los últimos meses de esta empresa ha sido la exportación directa a Bélgica de sus palmitos, los mismos que antes eran solo colocados en el mercado nacional. Se ha colocado un contenedor y existe intención de compra de para el próximo año de un mínimo de 8 contenedores.

Para el próximo año ha previsto apoyar a la Empresa ASLUSA, la cual viene trabajando con pequeños productores en la cadena de palmito en el corredor Tocache – Uchiza y que actualmente se encuentra en una situación similar a Alianza, en la cual necesitan trabajar la parte organizativa, social y empresarial.

Lácteos

Se viene apoyando la cadena de lácteos en la provincia de Mariscal Cáceres. Esta es una cadena nueva que tiene como principal actor de la comercialización y transformación a la empresa Lácteos San Martín SAC (Grupo Gloria). Los proveedores son los productores de la Asociación de Ganaderos de Ledoy. La oferta por día alcanza los 580 litros/día, la cual podría incrementarse si se mejoran las condiciones para el transporte de la leche desde los centros de producción hacia el tanque de almacenado.

Los ganaderos de manera gradual están desarrollando esta actividad con criterios económicos, aplicando las recomendaciones técnicas, y con mirar a mejorar sus ventas e ingresos diarios.

Lácteos San Martín viene comprando a S/0.742 el litro de leche fresca y el programa del vaso de leche a S/1.00 el litro; actualmente la asociación de ganaderos Ledoy viene atendiendo ambos mercados.

Para desarrollar estas cadenas el Programa ha dividido su intervención en 4 puntos básicos:

- ii. Organizaciones de Productores consolidadas y sostenibles
- iii. Inversión Privada Incrementada y sostenible
- iv. Formación de Alianzas Público Privadas
- v. Ingreso de Nuevos Compradores a Zonas PDA

Para lograr las metas propuestas nos hemos enfocado en:

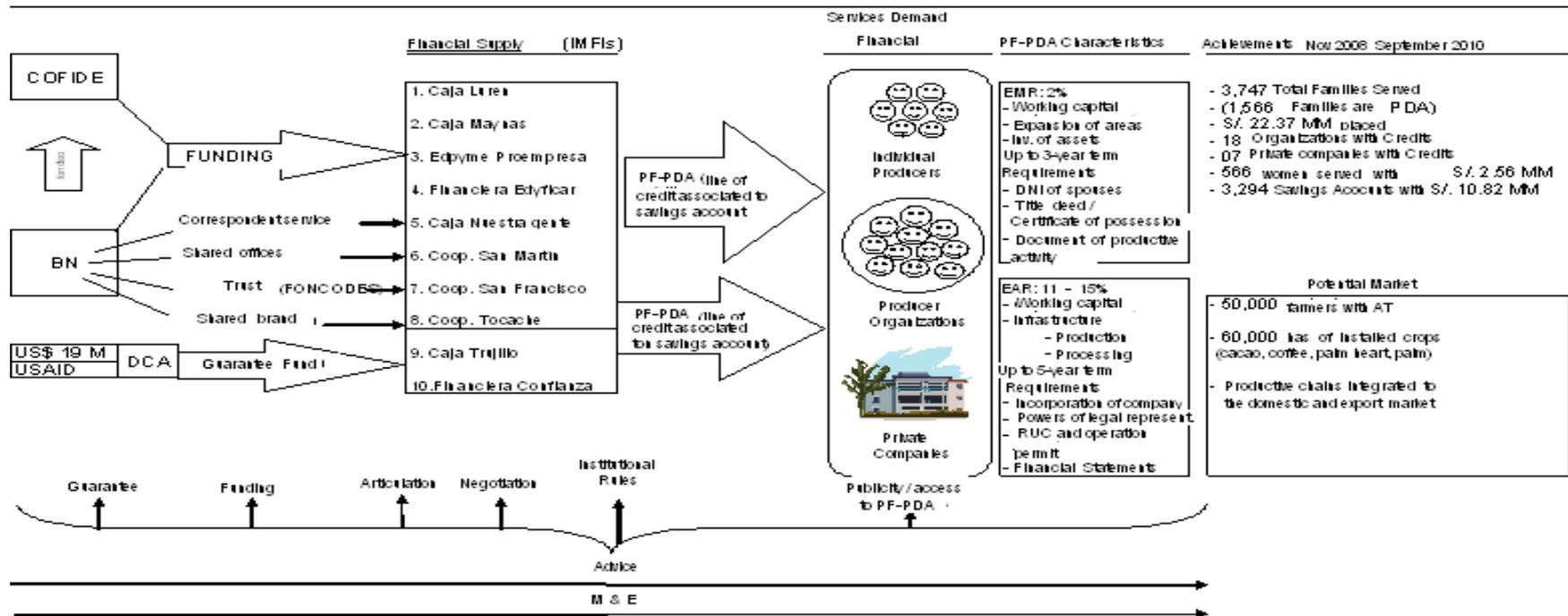
- Realizar planes de trabajo involucrando en su formulación a las propias organizaciones y demás actores involucrados en la cadena
- Promover alianzas estratégicas entre los actores de las cadenas productivas en las regiones de intervención.
- Fortalecer asociativa y empresarialmente a las organizaciones de productores operantes en las regiones de intervención del Programa.
- Promover negocios rentables que involucre la participación activa de los productores participantes del Programa.

Apoyar el crecimiento de los gremios nacionales y la asociatividad

Annex 11

ALTERNATIVE DEVELOPMENT PROGRAM - PDA

PDA FINANCIAL PRODUCT (PF - PDA)



Annex 12 Program-Supported Producer Organizations Participating in Productive Chains

1. Consorcio de Productores de Plátanos de Ucayali. - COPPU
2. CAT-Tocache,
3. ACOPAGRO,
4. Oro Verde,
5. Asociación Productores de Palma.- APROPAL,
6. Asociación de Productores Agropecuarios del Alto Mayo. - APAVAM
7. Asociación de Productores Cacahuateros de Uchiza
8. Asociación de Ganaderos de Nuevo Progreso
9. Cooperativa Agroindustrial Tocache Ltda.
10. Asociación de Ganaderos de Tocache (AGATO)
11. Agroindustria San Juan Tocache SAC
12. Cooperativa La Divisoria.- Tingo María-Tocache/Huanuco
13. Asociación de Productores de Palmito y Fruta Santa Lucia- APROSAN.- Santa Lucia/Tocache.
14. Asociación Ganadera de Bambamarca (ASGABAM)
15. Asociación de Cacaoteros Tecnificados de Padre Abad (ACATPA)
16. Molinera la Selva EIRL.
17. Asociación de Productores Arroceros del Distrito de Uchiza.- APAU
18. Cooperativa Agraria El Gran Saposoa Ltda.
19. Industrias Mayo SA
20. Molino Nieto Alcedo Duhayen.- Molino Yen
21. Sem Perú Selva SA
22. Asociación de Productores Agropecuarios de Chazuta.- Allima Cacao
23. Asociación de Productores de Cacao Nuevo Bambamarca – Tocache.- ASPROC - NBT
24. Molino Barbaran
25. Molino Aguilar

Annex 13: Communities Visited for Socialization of PDA Financial Product

Region	Province	Communities
San Martín	Mariscal Cáceres	Puerto Franco
	Picota	San Antonio, Leoncio Prado and Cazpisapa
	Huallaga	Shima
	Provincia El Dorado	Banda de Pishuaya y Huaja
	Provincia Lamas	Papaplaya, Yarina, San Miguel, Barranquita, San Isidro
	San Martín	Pelejo, Nuevo San Juan, San Antonio de Cumbaza, San Pedro de Cumbaza, San Roque de Cumbaza, Barranquita
	Tocache	Sin Sin, Balsa Provana, Nueva Esperanza, Shishiyacu, Huayranga, Palo Blanco, Almendras, San Miguel de Porvenir, Almendras, Puerto Olivos, Bentenjebe, Carrisillo, Bajo Limón, Alto Limón, Mariposa, Las Palmas, Mana Hermoso, El Porvenir, Nuevo Pataz, San Antonio, Cañutillo, José C. Mariategui, Kuwait, 10 de Agosto, Bello Oriente, San Miguel
Huánuco	Puerto Inca	El Dorado, Caserío Nuevo Trujillo
	Leoncio Prado	Rupa Rupa, Aucayacu, Montevideo, La Divisoria, Chinchavito, Tingo María, Pumahuasi
	Marañón	Paraíso, El Dorado – Cholón
Ucayali	Padre Abad	Centro Yurac, Villa Aguaytía, Santa Rosa, Mariscal Cáceres, Nuevo Progreso, Mebadaño, Shambillo Bajo, Shambillo Alto, Mediación, Paujil, Sauce, Nuevo Satipo, Bajo Uruya, Nuevo Juanjui, Libertad de Pasaraya, Monte Olivos, Santa Rosa de Guinea, San Alejandro, San José, Zorrillo, Mercedes, Bello Horizonte, Nuevo Ucayali, Valle Sagrado, Nueva Libertad, Nuevo Horizonte, Nuevo Tahuantinsuyo, Monte Alegre
	Coronel Portillo	Agua Dulce, Nueva Esperanza, Bajo Royal, Nueva Piura and Naranjillo, Nuevo Paraíso and Las Mercedes