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QUARTERLY PROGRESS REPORT

BIOREDD+ PROGRAM
FOURTH QUARTER FISCAL YEAR 2013
JULY - SEPTEMBER 2013



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Cover Photograph

Cuturú, Antioquia Colombia. Recuperation of degraded mining land through the use of fast growing Acacia trees (Victor Cangrejo, BIOREDD+).

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EXECUTIVE SUMMARY

The USAID Biodiversity—Reduced Emissions from Deforestation and Forest Degradation (BIOREDD+) Program is a three-year \$27.8 million program financed by USAID, which supports Colombian efforts to strengthen environmental governance, mitigate and adapt to climate change impacts, conserve biodiversity, and promote economic development in the Colombian Pacific, as well as implement support to informal mining operations in Antioquia. This report presents progress during the fourth quarter of the 2013 fiscal year (July to September 2013), which continued the solid progress that has been seen throughout the fiscal year to date.

In light of the well documented difficulties that the Program had in the first twelve months, it is reassuring to present a report at the end of the second operational year that not only documents a well-orchestrated effort to make up lost ground, but shows very significant progress toward meeting life of program (LOP) goals. Without any shadow of a doubt the program has turned the corner. Indeed, the 119% average performance against Year 2 numerical targets is testimony to a Program that is finding its feet in terms of technical implementation. Moreover, this is mirrored in significant improvements in operations and financial management, reflected in two key indicators: (i) expenditure from the Environmental Activities Fund (EAF) this quarter alone represented 26% of the total EAF expenditure to date, and (ii) through the end of Yr. 2, 54% of total obligated EAF funds had been disbursed.

Over and above simple statistics however, there is a sense of greater technical solidity in this report than in any previous one, supported by a noticeable increase in the sheer volume of work designed, developed and in process of implementation. The Climate Change component is currently managing 51 instruments, the Biodiversity component is implementing 24 instruments and even the Mining component, which only began operating at the end of May 2013 and faced a forty five day shutdown during this period due to a regional mining strike, is managing 11 instruments.

Perhaps most pleasing is that over the same period, the overall quality of the work has improved also. The technical quality of the studies associated with the Climate Change component was always going to be good, but investing more time and resources in the social aspects of REDD+ development has made an enormous difference to how the Program is perceived by communities. Likewise, placing greater emphasis on developing a more aggressive approach to REDD+ marketing and bringing in additional skilled expertise has substantially expanded BIOREDD+ positioning in a depressed market. At this stage of the game to have potential investor interest in 11 of the 14 REDD+ projects in the portfolio can only be good news. In the same vein, focusing its policy work on REDD+ *per se* has brought the Program far closer to the National REDD+ Strategy, which is an important objective for USAID in Colombia.

The Biodiversity component admittedly struggled to define its program over the first eighteen months, but even here, a quick review of Section III reveals far greater coherence, a solid identification of threats and a sensible range of interventions. In addition, and probably for the first time, the technical alignment and level of effort (LOE) between the BIOREDD+ activity schedule and the USAID Mission biodiversity strategy (with a major focus on coastal and marine issues, supported by a set of activities designed to reduce pressure on forest resources) is now patently clear.

Despite being the “new kid on the block” it is maybe within the Mining component that some of the Program’s best work is being done at present. Undoubtedly, the feeling of very guarded optimism by BIOREDD+ management as this new component was being developed (undoubtedly shared by USAID itself) has rapidly evolved into a strong sense of confidence in both the structure and relevance of the component activities, and also in the capacity of the Program team to get the job done. Over and above this, the integration and alignment with both the National Program and the Mining Strategy set out by the Government of Antioquia is first-rate. It is no surprise perhaps that in a recent event in Medellin, in the presence of the USAID Colombia Mission Director, the Governor of Antioquia – a politician known for his intelligence, honesty and straight talking – spoke highly of the partnership between his program and the BIOREDD+ work. Perhaps the greatest reflection of successful USAID projects is the extent to which national stakeholders consider them their own. If this the case, the BIOREDD+ mining work is well on its way to success.

Having said all this however, the start of operational Year 3 is not bereft of significant challenges. On the technical side, significant promise has to be translated into tangible results, particularly on the Climate Change side, where in the current international climate, a goal of 8 REDD+ projects still appears a lofty one indeed. Without doubt some further tweaking of the team needs to be done, in particular to provide more support to climate change activities, and greater capacity in finance and operations and grants and contract management. The biodiversity component will have to further hone its results-focus and prioritize its work over a wide range of grants. The mining team will very quickly face the onslaught of an enormous implementation workload in some of the most challenging environments in Colombia.

Without wishing to tempt fate, the Program thinks it is up to the challenge.

ACRONYMS

APS	Annual Program Statement
AUNAP	National Fisheries and Aquaculture Authority
CAN	<i>Comunidad Andina de Naciones</i>
CARs	Autonomous Regional Corporations
CC	Community Council
CCEP	Colombia Clean Energy Program
DO	Development Objective
DPS	<i>Departamento de Propersidad Social</i>
EAF	Environmental Activity Fund
ERPA	Emission Reduction Purchase Agreement
FCPF	Forest Carbon Partnership Facility
FL	<i>Fundación Laurel</i>
GCC	Global Climate Change
GHG	Greenhouse gas
GIS	Geographic Information System
GOC	Government of Colombia
IDEAM	Colombian Hydrology, Meteorology and Environmental Studies Institute
IGAC	<i>Instituto Geográfico Agustín Codazzi</i>
LIDAR	Light Detection and Ranging
MARD	Ministry of Agriculture and Rural Development
MESD	Ministry of Environment and Sustainable Development
M&E	Monitoring and Evaluation
MIDAS	USAID/Colombia Additional Investment for Sustainable Alternative Development
MME	Ministry of Mines and Energy
MESD	Ministry of Environment and Sustainable Development
MOU	Memorandum of Understanding
MRV	Measurement, Reporting, and Verification
NFTP	Non Timber Forest Products
NGO	Non-governmental Organization
NRM	Natural Resources Management
PD	Project Document
PES	Payment for Environmental Services
PNN	Colombian National Natural Park
PO	Purchase Order
PPP	Public-Private Partnership
REDD	Reduction of Emissions from Deforestation and Forest Degradation
RFP	Request for Proposal
SAR	Synthetic-Aperture Radar
SINA	National Environment System

SIRAPs	Regional Protected Area Systems
SOW	Scope of Work
STTA	Short-term technical assistance
TA	Technical Assistance
TGC	Terra Global Capital
TOR	Terms of Reference
UAO	<i>Universidad Autónoma del Occidente</i>
UA	<i>Universidad de Antioquia</i>
USAID	United States Agency for International Development
VCS	Voluntary Carbon Standard
WWF	World Wide Fund for Nature
ZEPA	Exclusive Zone for Artisanal Fisheries

OVERVIEW OF PROGRESS TOWARDS KEY RESULTS

BIOREDD+ is designed to directly contribute to USAID’s Development Objective 4 (DO-4): Colombian efforts to sustainably manage the country’s environmental resources reinforced. BIOREDD+ activity design and implementation is guided by expected results. Table I summarizes how achievements from activities undertaken during the quarter contribute to the Mission’s three key indicators in achieving DO-4¹. Indicators at the intermediate result level, which contribute to these results, are presented throughout the rest of this report. New indicator targets discussed with the Mission are included here.

Table I: Key Program Results Achieved through Q4 FY13

Indicator No.	Indicator	Adjusted LOP Goals	Year Two Goals (cumulative)	Achievements through Q4 FY13
BR-4-001	Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance.	400,000	300,000	In the mid Atrato river basin, ESPAVE added 12 additional hectares of sustainably managed Murrapo.
BR-4-002	Number of institutions /organizations public and private with improved capacity for effective environmental resource management.	30	14	<p>Four groups involved in commercial activities in three Community Councils (Pinpesca in Cajambre, the Piangua and Fisheries Committees in ACAPA, and the Cacao Committee in Bajo Mira y Frontera) improved their management capacity.</p> <p>According to the BIOREDD+ Index of Organizational Capacity (ICO), the Cajambre CC increased its score by 22.5% through: the expansion of its democratic base and generational change in leadership; administrative and accounting procedures; construction of internal bye-laws, and sustainable fisheries and cacao practices.</p> <p>The Pinpesca Fishing Association increased its capacity by 33.9%: updating its legal and tax registration; administrative and accounting procedures; training of its members; infrastructure improvement,</p>

¹ With the addition of a new set of mining indicators, BIOREDD+ will begin to contribute to the USAID-Colombia DOI indicator set as well (see Sections IV and VI).

				<p>implementation of sustainable fisheries agreements.</p> <p>The ACAPA Community Council improved its index by 20.6% via: use of improved administrative and accounting processes (purchases, personnel selection, petty cash, and bank account management, among others); internal bye-laws for better management of its territory, and creation of a central fishing committee, whose members have signed and implemented sustainable fishing agreements.</p> <p>The score for Bajo Mira and Frontera Community Council increased by 8.57%, reaching 9.03 out of a maximum 10 points, due to: improved administrative and accounting procedures and training and technical assistance to its fishermen, piangueras and cacao producers.</p> <p>AUNAP officially adopted the ZEPA in the <i>Cupica</i> Gulf, Chocó via resolution # 00899.</p>
BR-4-003	Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.	7,000	3,000	<p>278 producers from ACAPA increased their incomes via plantain and cacao production.</p> <p>25 Afro producers from the mid Atrato river basin improved their incomes arising from Jagua sales during the last quarter (for a total of 102).</p>

SECTION I

STRENGTHENING ENVIRONMENTAL GOVERNANCE

A. STRATEGY OVERVIEW AND OBJECTIVES

Through this intermediate result, BIOREDD+ is working at two levels: (i) to strengthen national capacity to more effectively administer policies, laws and regulations for the sustainable management of environmental assets and biodiversity conservation in Colombia, and (ii) to strengthen Colombia's regions, rural municipalities, and Afro-Colombian and indigenous communities in their capacity to effectively implement policies, laws and regulations written by the government. In both cases, there is an increasing focus on REDD+. The key indicators and targets are shown in Table 2.

Indicator Number	Indicator	Adjusted LOP Goals	Year Two Goals (cumulative)	Achievements through Q4
BR-4-004	Number of institutions with improved capacity to address climate change issues as a result of USG assistance.	15	5	<p>Six community councils and two indigenous authorities signed a <i>letter of intent</i> with BIOREDD+, to allow the Program to facilitate negotiations with investors interested in financing REDD+ projects. The Program engaged communities in prior REDD+ awareness raising and consensus building activities, including financing community-level meetings to discuss the letter and its implications.</p> <p>REDD+ socialization took place in La Larga – Tumaradó, Pedeguita and Mancilla, Pizarro (including Pilizá, Sivirú and San Andrés de Usaragá), ASAIBA, Río Montaña, Vigía de Curvaradó, La Madre, Chicao and Apartadó-Buenavista.</p> <p>BIOREDD+ led discussions between IDEAM and the Fundación Natura to extend BIOREDD+'s carbon baseline to cover the entire Pacific region.</p> <p>The Program continued work to identify an appropriate mechanism to support IDEAM in completing the non-forest carbon reference scenario for the Amazon region.</p> <p>BIOREDD+ continued to support the MADS in the development of its National REDD+ Strategy, financing a workshop with regional leaders in Buenaventura as part of its Environmental and Social Evaluation Strategy (SESA, in Spanish).</p>

BR-4-005	Number of laws, policies, strategies, plans, agreements, or regulations addressing climate change (mitigation or adaptation) and/or biodiversity conservation officially proposed, adopted, or implemented as a result of USG assistance.	24	14	AUNAP officially adopted the ZEPA in the <i>Cupica</i> Gulf in Chocó via the resolution # 00899 of July 1, 2013.
BR-4-006	Number of mitigation and/or adaptation tools, technologies and methodologies developed, tested and/or adopted.	4	4	<p>The Program is currently finalizing the revision of methodology VM0006 under its contract with Terra Global.</p> <p>BIOREDD+ continues its work on a new methodological tool to combine LIDAR and SAR data for biomass estimation, bringing together TG’s work with that of Dr. Sassan Saatchi.</p> <p>In the same vein, the Program’s work on its MRV tool moved further forward this quarter with the commencement of field plot establishment with CONIF, which will be combined with ALOS PALSAR data processed at NASA.</p>

To meet targets, BIORREDD+ is working at the national level to assist government institutions to develop and update key climate change and biodiversity conservation policies and regulations. At the regional and local levels, BIORREDD+ is building the capacity of authorities (particularly, Afro-Colombian and indigenous communities) to better regulate the environment.

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

IMPROVING NATIONAL ENVIRONMENTAL POLICIES FOR CONSERVING BIODIVERSITY AND ADAPTING TO AND MITIGATING CLIMATE CHANGE (4.1.1)

This quarter saw a tangible change in the focus of the Program away from a more general level of support to the MADS, which characterized BIORREDD+ support over the first eighteen months of the LOP, towards a far more focused, hands-on, approach linked to REDD+. The key output of this revised intervention strategy has been the development of an agreement which defines six areas of collaboration between BIORREDD+ and the *Dirección de Bosques, Biodiversidad y Servicios Ecosistémicos* within MADS:

- Legal assistance to better define carbon rights and provide inputs to a governmental guide for the development of early REDD+ initiatives in Colombia;
- Financial support to IDEAM to complete the reference scenarios for the two REDD+ Pacific jurisdictions;
- Revision of safeguards for early REDD+ initiatives.
- Technical support to develop a public plan for formalizing the incorporation of ongoing REDD+ activities without adversely affecting the development of a National REDD+ Strategy.
- The use of BIORREDD+-sponsored REDD+ projects as “pilots” for the formulation of policy.
- Technical support to enhance the ability of MADS to communicate more effectively with a diverse stakeholder base regarding National REDD+ strategy.

In addition, the BIOREDD+ Consultant tasked with managing national relations, Juan Carlos Riascos, has provided advice to improve the implementation of the Strategic Social and Environmental Appraisal process (SESA), as well as contributing to version 7.1 of the National REDD+ Strategy. As part of this, he has participated with the MADS REDD+ Team in 3 REDD+ regional workshops in the Pacific, 4 in the Amazonas region and one national event.

IMPROVING CAPACITY TO QUANTIFY ECOSYSTEMS SERVICES, SUCH AS GHG SEQUESTRATION, AND OTHER CLIMATE CHANGE MITIGATION ELEMENTS RESULTING FROM BIODIVERSITY CONSERVATION (4.1.2)

Designing an MRV Mechanism for REDD+ Projects

Despite initial problems with damaged equipment, compounded by poor weather, the LIDAR data provider (FAL) made significant progress with data collection during the quarter. This work will be completed next quarter. Dr. Sassan Saatchi worked closely with FAL to improve the quality of the processed raw data and also liaised with Terra Global on the methodological work. CONIF, which was selected to undertake the establishment of permanent field-plots, also began its work during the quarter. The result of this combined effort is that the Program is still firmly on target to have finalized its carbon estimations by the end of March 2014, while working in parallel towards the validation of the new methodological tools.

BIOREDD+ led discussions between IDEAM and the Fundacion Natura to extend BIOREDD+'s carbon baseline to cover the entire Pacific regions. This is necessary because the proposed jurisdiction covers the totality of the Departments of Valle, Cauca, and Nariño, and an important area of Antioquia has not been mapped or monitored yet.

BIOREDD+ EAF staff maintained its overtures to IDEAM to develop an instrument (grant or subcontract) to co-finance activities required to develop reference scenarios for both the Pacific and Amazon Regions, under the nested approach pursued by the Government of Colombia, and to assess deforestation drivers in the Pacific. Despite a strong willingness on the part of the Program for this work to begin it has been almost impossible to arrive at an appropriate mechanism with IDEAM to date. Efforts will continue next quarter.

STRENGTHENING INSTITUTIONAL CAPACITY TO IMPLEMENT ENVIRONMENTAL POLICIES, REGULATIONS AND PLANS (4.1.3)

Building the Capacity of Local Community Organizations for REDD Project Implementation

REDD+ socialization took place in La Larga – Tumaradó, Pedeguita and Mancilla, Pizarro (including members of Pilizá, Sivirú and San Andrés de Usaragá), ASAIBA, Río Montaña, Vigía de Curvaradó, La Madre, Chicao and Apartadó-Buenavista. These socialization exercises seek to deepen the understanding of local communities in relation to REDD+ and to ensure that they are aware of the responsibilities and potential benefits of their participation in REDD+ projects, as well as market opportunities and requirements.

Six community councils and two indigenous authorities signed a *letter of intent* with BIOREDD+ to allow the Program to facilitate negotiations with investors interested in financing REDD+ projects. The Program engaged communities in prior REDD+ awareness raising and consensus building activities, including financing community-level meetings to discuss the letter and its implications. This is a critical step in guaranteeing Free, Prior, Informed Consent (FPIC) as the Program moves forward and in beginning to formalize relationships with priority REDD+ stakeholders.

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

IMPROVING NATIONAL ENVIRONMENTAL POLICIES FOR CONSERVING BIODIVERSITY AND ADAPTING TO AND MITIGATING CLIMATE CHANGE (4.1.1)

The BIOREDD+ consultant will continue to support the MADS, specifically via: (i) participating with MADS and the German Aid Agency (GIZ) in SESA workshops in the Amazonas region; (ii) participating in the proposed REDD+ Safeguards Committee (organized by the Colombian non-governmental sector), and (iii) participating in the National REDD+ Strategy communications monitoring group. He will also support the Program in liaising with national government in the implementation of the new grant with the Humboldt Institute, a concrete reflection of implementing the Policy for Integrated Management of Biodiversity and Ecosystem Services promoted in 2012 by MADS.

IMPROVING CAPACITY TO QUANTIFY ECOSYSTEMS SERVICES, SUCH AS GHG SEQUESTRATION, AND OTHER CLIMATE CHANGE MITIGATION ELEMENTS RESULTING FROM BIODIVERSITY CONSERVATION (4.1.2)

The coming quarter will prioritize three ongoing agenda items: (i) firm up the arrangements for supporting IDEAM, in order to ensure that activities can begin at the start of 2014; (ii) consolidate the ongoing relationship building activities with the MADS via a one-day workshop in November, and (iii) initiate the planning activities associated with the proposed international seminar (tentatively titled “Showcasing Innovation in Colombian REDD+”) for February 2014.

STRENGTHENING INSTITUTIONAL CAPACITY TO IMPLEMENT ENVIRONMENTAL POLICIES, REGULATIONS AND PLANS (4.1.3)

During the next quarter, BIOREDD+ will continue to support indigenous and AfroColombian communities where potential REDD+ projects have been identified to improve their REDD+ awareness and environmental governance capacity. A second round of in-depth socialization, planned for the start of 2014, will commence via the development of a grant with the *Fondo de Acción Ambiental y la Niñez* (FAAN). This will include the identification and training of one local REDD coordinator for each community involved in priority REDD+ activities. In parallel, BIOREDD+ will launch a REDD+ community-level communication effort to keep REDD+ information flowing to broader segments of the local population.

SECTION II

IMPROVING CLIMATE CHANGE MITIGATION AND ADAPTATION

A. STRATEGY OVERVIEW AND OBJECTIVES

This intermediate result of the BIOREDD+ program is designed to increase Colombia's capacity to provide alternative sources of income to beneficiary communities through the design and implementation of REDD+ projects and through building capacity to adapt to climate change. REDD+ projects are aimed at generating income flows from conservation and forest recovery efforts, through investments in productive activities and community-oriented programs to address priorities such as health, sanitation, food security, sanitation, and internal governance.

During the quarter, work continued in four key areas:

1. Socializing the program to identify communities interested in developing REDD+ activities;
2. Implementing social and economic assessments to identify community investment needs, sources of income, and potential alternative productive activities;
3. Producing remote sensing imagery and field inventories in order to develop a carbon baseline and MRV mechanisms;
4. Developing the methodological framework to register the REDD+ projects.

In addition, BIOREDD+ continued its more aggressive marketing activity to identify new investors.

Table 3. Climate Change Key Indicators and Targets

Indicator Number	Indicator	Adjusted LOP Goals	Year Two Goals (cumulative)	Achievements through Q4
BR-4-007	Quantity of Greenhouse Gas (GHG) emissions, measured in metric million tons of CO2 equivalent (CO2e), reduced or sequestered as a result of USG assistance	18	1	BIOREDD+ moved towards finalization of the social and economic assessments in the remaining three nodes (being implemented by the Universities UAO for Buenaventura and UA for Choco Sur and Urabá-Darién). The assessment on the Tumaco node was finalized in the previous quarter. 50% of the LIDAR data was acquired by FAL. Terra Global Capital contracted for the VCS methodology development, completed its assessment on the required methodology elements to revise VM006 (which is to be complemented with one new tool for remote sensing use in areas with significant cloud cover and another to combine LIDAR and SAR data). These will be finalized next quarter. CONIF and C&B, who will be establishing the field plots to provide input to the remote sensing data, started socialization activities on the first set of 10 plots.
BR-4-008	Number of REDD+ projects	8	0	GeoEcoMap acquired and processed ALOS PALSAR (radar) data to produce a degradation trend analysis, starting from the 1980s. FAL, the selected LIDAR

Indicator Number	Indicator	Adjusted LOP Goals	Year Two Goals (cumulative)	Achievements through Q4
	designed, validated or financed.			provider, collected about 50% of data. Terra Global Capital, contracted to develop the missing VCS methodology elements, finalized its assessment and started devising a new tool to combine LIDAR and SAR data, with field plot data. Socialization on potential investment opportunities was started. Field plots were socialized.
BR-4-009	Number of stakeholders with increased capacity to adapt to the impacts of climate variability and change as a result of USG assistance.	8	0	Six community councils and two indigenous authorities signed a <i>letter of intent</i> with BIOREDD+ to allow the Program to facilitate negotiations with investors interested in financing REDD+ projects. The Program engaged communities in prior REDD+ awareness raising and consensus building activities, including financing community-level meeting to discuss the letter and its implications.
BR-4-010	Amount of investment leveraged in U.S. dollars, from private and public partnership resources, for climate change as a result of USG assistance	\$9 MN	0	During Q4, BIOREDD+ continued to interact with DPS, BUNGE, and the Althelia Fund. In addition, a new potential investor, ENECO, was contacted. Proposals for the three investors, including 11 of the 14 REDD+ projects, were developed and presented to investors. Investment opportunities were also presented to the communities, and Letters of Intent were signed by 8 communities. Potential investment exceeds US\$ 12 million at this stage.

BIOREDD+'s adaptation strategy in 2013 has been focused on ecosystem and economic adaptation to climatic events through the promotion of flood resistant Naidi (i.e., acai or Murrapo). A financial pre-feasibility study was finalized, with promising results. A grant for the development of acai management plans will begin next quarter. Discussions were also initiated with the municipality of Tumaco to support vulnerability planning given the risk of a tsunami, exacerbated through uncontrolled urban expansion along the coast (in addition to the environmental damage associated with expansion into fragile mangroves that border the existing urban conurbation).

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

INCREASING CAPACITY OF COLOMBIA TO MITIGATE CLIMATE CHANGE THROUGH FOREST MANAGEMENT AND CONSERVATION (4.2.1)

Consolidating REDD+ Projects in ex-MIDAS Communities Engaged in Project Development

During the quarter, investment opportunities were presented to Cajambre, Chigorodó and Mutatá, and Concosta, and letters of intent were signed with BIOREDD+, to negotiate with interested groups. Socialization with Bajo Mira and Frontera will take place during the next quarter.

Establishing, Consolidating and Registering Interest of Communities for the Implementation of REDD+ Projects in the Pacific Region

As potential investors were contacted during the quarter, progress was also made in the socialization process with the communities. The process involved a two-tier approach, where an initial general capacity building exercise with broad community participation was followed by specific roundtables on market opportunities to potential investors. Letters of intent were discussed and signed after meetings of local assemblies financed by BIOREDD+.

Conducting Socio-economic Assessments and Identification of Alternative Sources of Income in Participating REDD+ Communities

During the quarter, the *Universidad de Antioquia* finalized surveys in both the Chocó Sur and Darien areas, as did the Universidad Autónoma de Occidente in Buenaventura. Reports on social investment priorities were finalized in all areas. Also, assessments on sources of income, demographics, and coverage of basic public services were finalized for Buenaventura and the Darien area. In all areas, preliminary reports on potential cash generating product activities were presented to the program for review. BIOREDD+ also started further assessment of potential productive activities that could be financed as part of the REDD+ investment proposals presented to interested investors. Further assessment and coordination with the local communities will start next quarter.

During this quarter, the facilitators hired by BIOREDD+ to support the social and economic studies ended their contracts as the fieldwork carried out by the universities was completed. Further training and capacity building of local facilitators will start in 2014.

In Q3, an RFP process was undertaken to select a consulting group to assess the conditions and behavior of local timber markets. The outputs will be key to arriving at coherent opportunity costs estimates for REDD+ projects, given that the scale and economic importance of the timber market is underestimated by the family-level socio-economic studies (due in large part to the illegality of much of the timber market). The study will be implemented by CONIF and ECONOMETRIA, and will start next quarter.

Establishing Carbon Baselines and Additionality

In order to establish carbon baseline scenarios or MRV mechanisms, the Program will rely on tools that can detect degradation and the recovery of degraded forests. To do this, a combination of remote sensing technologies combined with field surveys and permanent plots have been defined as the preferred approach. BIOREDD+ is combining SAR (ALOS PALSAR radar) data with LIDAR (i.e. airborne laser) data to secure information on topography, canopy height, and forest structure. LIDAR data collection, already at around 50% at the end of Q4, will finish next quarter, having flown transects on over the 83,000 hectares in REDD+ areas. Also this quarter, the collection and processing of ALOS PALSAR data and MODIS and LANDSAT imagery was completed and a preliminary land cover map was produced by GeoEcoMap.

During the quarter BIOREDD+ selected CONIF and Carbono & Bosques to establish 30 field inventory plot systems, each composed of a one ha plot plus eight satellite 0.25 ha plots. This work will help validate the LIDAR and SAR data. The results of the plots, combined with LIDAR interpretation, will help extrapolate the work carried out in the four BIOREDD+ nodes to the entire Pacific region. Community socialization for establishing the first 10 plots to be established started in Q4. To improve precision, and be able to account for greater carbon capture as a result of REDD+ project implementation, BIOREDD+ is contracting Colombian expert Alvaro Duque to provide quality control and oversight on the field plot establishment. In addition, during the quarter, BIOREDD+ initiated the process for the development of local allometric functions for better representation of primary and secondary forests.

To complement the field work undertaken by CONIF and C&B, following the RAINFOR protocols, BIOREDD+ started discussions with the Humboldt Institute on developing an associated biodiversity study. Humboldt will deepen the work undertaken by CONIF in 4 pilot plots, to identify taxonomic biodiversity of forestry species,

and assess functional and phylogenetic biodiversity. Besides following the RAINFOR protocol, Humboldt will establish camera traps, and acoustic sensors to identify mammals and birds. In addition a tutorial and teaching component will be developed to enable local communities and researchers to monitor biodiversity.

Methodological Development

BIOREDD+ conditions necessitate modifying VCS methodologies to ensure successful verification and market placement. To this end, BIOREDD+ contracted Terra Global Capital to do this work. During the quarter TGC finalized its assessment on the required methodological elements to be developed, namely the revised VM006, combined with two new tools: one on the use of multispectral, multitemporal data in areas with strong cloud presence, and the other to combine remote sensing technologies such as LIDAR and SAR, with inventory plot data. The full methodological development is expected to be completed in January 2014.

Access to markets

During Q4, investment proposals were developed and presented to Althelia, BUNGE, and ENECO, involving 11 out of the 14 REDD+ projects being developed. As a result, potential investment projects were identified, with investment returns arising from both carbon and non-carbon (productive) activities. Further feasibility assessments and the development of business plans will begin in 2014.

INCREASING CAPACITY FOR ADAPTATION TO CLIMATE CHANGE IN TARGET REGIONS. (4.2.2)

As stated above, BIOREDD+'s adaptation strategy in 2013 has been focused on ecosystem and economic adaptation to climatic events through the promotion of flood resistant Naidi (i.e., acai or Murrapo). A financial pre-feasibility study was finalized, with promising results. A grant for the development of acai management plans will begin next quarter. Discussions were also initiated with the municipality of Tumaco to support vulnerability planning given the risk of a tsunami, exacerbated through uncontrolled urban expansion along the coast (in addition to the environmental damage associated with expansion into fragile mangroves that border the existing urban conurbation).

INCREASING ACCESS TO CLEAN ENERGY RESOURCES (4.2.3)

During the last quarter, a series of meetings with the technical team of the CCEP Program were carried out to assess the feasibility of improving production chains in Cajambre (Punta Bonita: artisanal fisheries) and Yurumangui (San Antonio: legal wood transformation). These are the two CCs that were visited and prioritized by the CCEP Program at the beginning of the year. The CCEP team developed 2 proposals based on solar energy, since is the most feasible alternative to implement considering environmental and social conditions in the areas. The proposals are: (i) installation of solar panels for provision of energy to operate machines at the carpentry shop in San Antonio, Yurumangui and (ii) installation of specially designed solar-energy fridges or freezers with a storage capacity of 125 kilos in Cajambre. Each unit has an estimated cost of USD\$ 5.000. Considering the current fish catches of the area, it is estimated that 10 to 15 units will be needed. Given that the Yurumangui option is restricted due to the limited solar radiation in the area, which would make it extremely expensive to meet the total energy demand, priority will be given to Cajambre. In the following quarter, meetings will be held with community representatives in Cajambre to present proposals, receive feedback and evaluate potential for leveraging counterpart funds.

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

INCREASING CAPACITY OF COLOMBIA TO MITIGATE CLIMATE CHANGE THROUGH FOREST MANAGEMENT AND CONSERVATION (4.2.1)

During the next quarter, BIOREDD+ will: (i) continue socializing REDD+ and, in line with current market tendencies, place more emphasis on developing commercial alternatives to support carbon financing; (ii) finalize the social and economic assessments to identify community needs, current and potential sources of income, and profitable and scalable productive activities; (iii) finalize LIDAR data acquisition and start the combined ALOS PALSAR-LIDAR analysis; (iv) establish field inventory plot systems, including biodiversity pilots; (v) continue work on developing and validating the new VCS methodological tools to complement the revised methodology VM0006; (vi) start the contract for Project Document (PD) drafting for the first set of REDD+ projects; (vii) initiate the development of allometric functions, as a continuation of the field plot setting mobilization; (viii) continue discussions and related due diligence work with potential forward investments such as Althelia, Bunge, and ENECO; and (ix) prepare an international workshop to take place at the end of February in Cartagena, where the new BIOREDD+ approach and tools will be presented to a national and international audience.

INCREASING CAPACITY FOR ADAPTATION TO CLIMATE CHANGE IN TARGET REGIONS. (4.2.2)

Building on the completion of the financial pre-feasibility study for naidi, during the next quarter, the associated business plan and technical feasibility studies (including the identification of potential industrial processing facilities in Buenaventura and Tumaco and related logistics) will be developed, so that investment flows can start with the initiation of the first REDD+ projects. Discussions will continue with the municipality of Tumaco on the proposed investment in reducing the town's vulnerability to a tsunami.

SECTION III

IMPROVING BIODIVERSITY CONSERVATION

A. STRATEGY OVERVIEW AND OBJECTIVES

The biodiversity component continues to implement projects with Afro Colombian and indigenous groups in the Pacific coast of Nariño, Valle del Cauca, Chocó and in the Urabá region of Antioquia; all these are areas of both high biodiversity and vulnerability. The activities are designed to mitigate two key threats to biodiversity conservation in priority areas:

1. Overexploitation of fisheries resources, which is disturbing the ecological dynamics of estuaries, mangroves and freshwater systems, with serious economic, social and cultural consequences.
2. Degradation and/or deforestation of land ecosystems, particularly in watersheds and forests along different altitudinal ranges.

The strategic approach is summarized in Table 4 below:

Table 4. Synthesis of Biodiversity Implementation Strategy

THREATS	
Overexploitation of fisheries resources	Degradation and/or deforestation of land ecosystems,
SPECIFIC RESPONSES	
Develop socio-economic assessments of artisanal fisheries and implement pilot commercial activities.	Support the establishment and management of alternative agroforestry systems (e.g. cacao)
Design and implement fisheries monitoring with community participation.	Support the sustainable use of forestry products (e.g.: naidi, jagua, etc.).
Design and implement community agreements for responsible use of fisheries resources.	Design and implement participatory schemes to regulate and enforce forest conservation.
CROSS-CUTTING RESPONSES	
<ul style="list-style-type: none"> ▪ Strengthen relationships between state institutions, the private sector and communities. ▪ Produce information for improved local decision making for natural resource management. ▪ Strengthen value chains of products derived from sustainable practices. ▪ Increase technical knowledge and capacity of local stakeholders. 	

In the context of the above strategic framework, BIODREDD+ continued to make progress in consolidating its biodiversity conservation portfolio during the quarter, which is summarized in Table 4 and discussed in greater detail below.

Indicator Number	Indicator	Adjusted LOP Goals	Year Two Goals	Achieved Q4
BR-4-001	Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance	400.000	300.000	There was no significant progress in this indicator. A small increase in the forest area under improved management was reported in the management plan of <i>naidi</i> in the mid-Atrato basin, for a total of 132,374 ha to date.
BR-4-002	Number of institutions/public and private organizations with improved capacity for effective environmental resource management.	30	14	Improved capacity to manage natural resources was demonstrated in the Community Councils of Cajambre, Bajo Mira y Frontera, ACAPA and four (4) organizations or groups of fishermen, piangueras and farmers supported by BIOREDD+.
BR-4-003	Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance	7.000	3.000	A total of 5,084 people with increased economic benefits were supported in this quarter, corresponding to 169% of the second year goal. These people receive benefits from consumption of agriculture products and commercialization of fish products or non-timber forest products.
BR-4-005	Number of laws, policies, strategies, plans, agreements or regulations addressing climate change and / or biodiversity conservation officially proposed, adopted or implemented as a result of USG assistance	24	33	AUNAP issued Resolution # 000899 on July 29, 2013, whereby it established an “Exclusive Artisanal Fishing Zone” – ZEPA - and a Special Fisheries Management Zone (ZEMP) in northern Chocó”
BR-4-011	Number of communities and other stakeholders adopting sustainable practices to improve biodiversity conservation.	17	10	During this quarter, adoption of sustainable practices was verified in a total of 14 communities, corresponding to 140% of the Y2 goal.
BR-4-011	Number of management plans approved and implemented for /in ecosystems of biological	5	4	The implementation of two management plans for the sustainable use of <i>naidi</i> (<i>Euterpe oleracea</i>) was completed during this quarter. These plans were approved by environmental authorities in Antioquia and Chocó, covering an area of nearly 100 ha.

	significance as a result of U.S. assistance.			
DO4-015	Amount of investment leveraged from public and private partnership sources for management of natural resources in protected areas and buffer zones, indigenous reserves (resguardos) and Afro-Colombian territories (consejo comunitarios).	\$2.2M	\$1.2M	Grantees have certified leveraged investment of US\$ 37,167 for a cumulative total of US\$ 731,678 to date.
DO4-016	Amount of economic benefits (US dollars) from payments from ecosystem services and/or ecotourism through public and private partnerships	\$2M	\$0.5M	During the last quarter, the Community Council of Bajo Mira y Frontera verified payments of US\$ 8,500 from UACT. This generated a total of US\$ 647,223 to date US\$ corresponding to 131% of the Y2 goal.
DO4-017	Number of people receiving USG supported training in natural resources management and/or biodiversity	3,100	2,000	During the last quarter, a total of 185 additional people were trained in biodiversity conservation (ecotourism, fisheries monitoring and responsible practices), for an accumulated total of 1,788 people trained to date.

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

Key accomplishments are presented below, broken down to present progress over the entire, current grants/subcontracts portfolio.

Cajambre Grant

The Cajambre grant started in September 2012 and has to date spent 85% of its budget. During the last quarter a thorough assessment of all cacao farms was carried out in the 79 hectares established to date, which demonstrated that 63 ha (developed by 97 families) are well managed, 7 ha have been lost to ant infestation or farmer neglect and 9 ha, which had been destroyed by flooding, have been replanted. Farms showing problems or poor management (ant-attacks, excessive weeds, presence of disease or issues with grafted cacao) were subject to visits by technical staff and the governing Board of the CC. This strategy improved production by 40% on these farms. The Program has continued providing direct technical assistance to farmers, which will continue until December 2013.

Within the fisheries component, a 10-month (Oct 2012 to Aug 2013) series of fisheries catch data was completed: the first exercise of this kind in the area. The BIOREDD+ team is currently organizing the information before presenting it to AUNAP. BIOREDD+ is also requesting financial support from AUNAP to permit the community to continue with monitoring activities through 2014 and beyond. At the same time, 60 pianguimetros were given to the CC to help control sizes of collected piangua and three sets of fish monitoring kits will be donated in the next quarter.

Partial verification of fisheries conservation agreements was carried out. The average size of piangua was 4.7cm, which is relatively close to, but lower than the 5cm legal limit. The piangueras argue that it is hard to comply with this limit given the low percentage of available piangua above 5cm in the mangroves. Seven piangueras visited the mangrove areas where extraction restrictions are in place. They found some evidence of ongoing extraction for domestic and commercial purposes. These findings are currently being discussed by the Board of Cajambre CC to decide on appropriate actions (sanctions and education). However, it is clear that support from the environmental and fisheries authorities is needed to enforce mangrove conservation.

With regard to the fisheries value chain, a marketing strategy was designed with the CC to carry out commercial pilots that will provide direct access to customers in Bogota, with improved payments for fishermen (approximately 10%-15% more per kilo than they currently receive), including a tracking system of costs and compliance with sustainability criteria. The strategy will involve 60 fishermen from 3 coastal villages (Punta Bonita, Pital and Guayabal), 4 clients (the restaurants DLK SA, Bruto, and El Bandido) and generate approximately 300 kg/month of fileted fish in Bogota. A catalogue of fish species that can be sustainably caught and sold is being developed to promote the Pinpesca Fishing Association. The first associative sale by Pinpesca was made to the launch event of the Francachela in Bogota. Additionally, two workshops on Best Manufacturing Practices were carried out with an average of 30 participants per workshop (fishermen and piangueras). A processing site for fisheries products at Punta Bonita was recently improved with DPS resources.

ACAPA Grant

This grant began in February 2013 and has to date spent 84% of its budget. Technical assistance for cacao and coconut plantations was improved through some changes to the visits schedule and through additional training; 20 farmer field school sessions (ECAs in Spanish) in cacao and 12 in coconut were delivered. New plantations of cacao established in the villages of Llanaje, Colorado, Negrita, Curay, Cachimbál, Caleta, Pajonal, Novillal, Casa Blanca and Caimito have completed the planting goal for the project. In addition, the CC took the decision to form part of the new cacao consortium developed with support from the Municipality, Casa Luker and the USAID-financed Colombia Responde Program (CELI North-South).

Fisheries monitoring of 22 artisanal boats from the coastal villages Caleta, Colorado, Sande and Llanaje, showed that catches are between 200 to 300kg/month, average income is CP\$ 700,000/month/fishermen and shrimp and sea bass are the main species captured. Partial verification of fisheries conservation agreements was carried out and results show compliance with the use of adequate mesh size in fishing nets and reduction in the percentage of juvenile piangua (<5cm) captured. However, fishermen still fail to comply with the use of radios or life-vests on the boats due to cost concerns. The CC has received 30 *pianguimetros* given by BIOREDD+ to help them control piangua sizes. A pilot commercialization exercise will be carried out next quarter to sell shrimp from the coastal villages of Sande and Llanaje with approximately 20 fishermen and 3 potential clients (Astrid y Gastón, DLK S.A. and Restaurante Pacífico) and generating around 250 kg/month. Training was carried out to: (i) improve processing and handling of fish products in order to reduce losses caused by decomposition or imperfections, (ii) maintain working areas and materials disinfected, and (iii) make and repair fishing nets.

Regarding inter-institutional relations, the CC – with BIOREDD+ support – is participating in a new initiative with Ecopetrol, the Municipality of Tumaco and the *piangueras* Federation (Fedeconcha) to sell regulated piangua to Ecuador. ACAPA was also included in the project “Consolidation of the Productive Fisheries and Aquaculture Chain of the Pacific Region in Colombia” and will receive support in four key areas: social development, business operations, cold chain and commercialization.

Bajo Mira and Frontera Grant

This grant began in August 2012 and has to date spent 78% of its budget. During this quarter, all productive information on cacao plantations was analyzed, confirming a total of 753 producers with a total annual production of 405 tons of dry cocoa and an average production of 536kg/ha per producer. According to the report, there are 1,190 ha of native cocoa plantations and 792 of cloned cocoa, of which 45% has been established with BIOREDD+ support. Training and field assistance have been provided to all 753 producers.

As part of the BIOREDD+ exit strategy and in response to a specific request from the CC, a commercial pilot to buy, process and sell cacao has been discussed. An initial business plan developed by the CC with UNODC support, was presented. Unfortunately, it was deemed too general in scope and too “optimistic” in relation to a variety of key parameters when presented to the Program. A new business plan was requested and is being developed. At the same time, BIOREDD+ has facilitated discussions with the Colombian chocolate producer Casa Luker to discuss the terms of a potential purchase contract.

An ongoing discussion has been maintained with the Board of the CC regarding its decision not to form part of a new cacao consortium being developed with several other Tumaco CCs and producer associations, and supported by the USAID CELI North/South Program. While the Program has expressed the view that it considers the conditions attached to cacao development within the consortium to be more favorable than those faced by BMyF as a lone producer, processor and seller, it has also confirmed that it will respect the autonomy of the CC to forge its own future. A final decision regarding the conditions attached to funding this additional activity will be completed in the coming quarter. On a more positive note, a decision was taken to provide additional financing to support the development of women-owned, artisanal chocolate producer (*Delicias del Mira*) in association with MITA, a niche, gourmet chocolate producer from Bogota.

Within the fisheries component, new information on piangua collection was gathered. An average of 160 piangua/day/person is being collected, 59% of which is “female piangua” (*Anadara tuberculosa*), which has a higher commercial value. Partial verification of fisheries conservation agreements was carried out through surveys with 190 fishermen and 19 piangueras from 8 coastal villages. Results of surveys show high compliance with the use of regulated fishing gear (70% use nets with a mesh size from 2¾” to 7” and 30% use long lines). It also highlighted the complementary extraction of other mangrove resources (Sangara, Pateburro, Chiripiangua y Cangrejo) to reduce pressure on piangua collection, which was reported by 63% of people. The CC now has 50 *pianguimetros* given by BIOREDD+ to help them monitor and control piangua size.

In regard to the fisheries value chain, a marketing and sales strategy was designed to carry out pilot activities that allow fishing groups to : (i) establish direct relations with potential clients that could pay 15-20% more to fishermen; (ii) monitor costs of the whole process and (iii) implement a tracking system to ensure compliance with sustainability criteria. The first pilot will link 20 fishermen from Bajito Vaquería to two clients (Astrid y Gastón and Restaurante Pacifico) and will generate approximately 300 kg/month.

Fundación Espavé Grant

This grant began in September 2012 and has to date spent 86% of its budget. 15 agroforestry plots were established with 30 producers, including 11 species of palms, trees, *musaceas* (plantains) and herbaceous species. A SENA-validated training course certified 23 producers on management of natural palms. Compliance with the management plan for *Murrapo* was also verified.

Sanitary conditions in the area of the project have been found to greatly limit the production of jagua pulp. These conditions make it unfeasible to expand the process to Vigia del Fuerte as was originally contemplated. In light of this, some of the project’s funds were moved to increase the capacity of the company, *Bosque Humedo Tropical* (technical assistance to design a business and financial model, improved operational, human

resource and administrative processes, and improved management and share schemes). The grant was extended until December 15, 2013.

MARVIVA Grant

This grant started in May 2012 and has executed 86% of its budget. In the last quarter, fisheries value chains were strengthened in Nuqui and Bahía Solano benefitting more than 300 people. A commercial relationship between Fish Mare and Takami (a restaurant group in Bogotá) was formalized in order to buy 2 tons/month of sustainably caught fish. Business deals are also being sought with new clients (Almacenes Exito in Medellín and Pescadería Gourmet in Cali) to increase the demand by approximately 400kg/week. A tracking system to assess compliance with sustainability criteria is being implemented in Fish Mare (Nuqui) and Red de Frio (Bahía Solano). Fishermen working with Fish Mare received fiberglass ice chests. In the following quarter BIOREDD+ will donate an ice machine to Fish Mare to reduce production costs and to improve conditions at the fish processing site in Nuqui.

Regarding the sustainable use of mangroves, an inter-institutional Board on Mangroves in Nuqui was formed by the Ministry of Environment and Sustainable Development, Riscales Community Council, the Municipality of Nuqui, IIAP, community mangrove delegates, a local communications group “En Puja”, the local education instruction “Litoral Pacifico” and the Fundación Marviva. A governance scheme was developed to implement mangrove management plans in five communities along the Gulf of Tribugá (Jurubirá, Tribugá, Nuquí, Panguí y Coquí) adopting control and incentive measures to verify compliance with management measures that have been adopted by local CCs.

Pichindé Association Grant

The Pichinde grant began in February 2013 and has spent 63% of the budget and generated a noticeable improvement in the quality of the tourism product offered by three community organizations in Coquí, Jovi and Termales, who now have radios to facilitate communications, increased boat capacity to transport tourists and offer whale watching tours, as well as advertising material to promote their services. Guides from the three groups have received training in responsible whale watching, client service, first-aid and security procedures.

Each organization has developed a service portfolio with fees, based on their previously designed ecotourism and etno-tourism products. For the ecotourism products, they have developed environmental guidelines for guides and visitors. The improved tourism product was showcased to a group of hotel owners and managers from the Gulf of Tribugá in a “fam trip” event in September 2013. Coquí, the site with the lowest number of visitors at the beginning of the project, saw a 200% increase in the July-September period compared to 2012, benefitting nearly 50 people. Jovi and Termales still need additional promotional efforts to increase their visitor numbers.

Riscales Grant

This grant began in April 2012 and has spent just 29% of its budget to date. Due to technical and administrative difficulties caused by internal conflicts among the different factions within the governing bodies of the CC and the technical team hired for the project, a decision was made by BIOREDD+ to directly execute the remainder of the grant with some adjustments to the original work plan. During the last quarter, work focused on identifying land/natural resource use conflicts within the territory of the CC, as well as strengthening organizational capabilities for more effective communication with the community radio station “Riscales Stereo”. This radio station is an important outreach and education tool for both the CC itself as well as for other institutions and organizations involved in the sustainable development of the Tribugá Gulf.

Yurumangui Grant

This grant started in June 2013 and has spent 46% of its budget to date. It has proved to be one of the more motivated and effective grantees in the biodiversity portfolio so far. During the quarter, the project developed a participatory management scheme for the use and conservation of forests and mangrove, including: zoning and use categories, allowed and none-allowed uses, conservation measures, production, regeneration, sanctions, incentives, control and enforcement mechanisms. Current practices that threaten forests and mangroves conservation have been clearly identified.

To improve the value chain for legal, non-traditional wood products, contact was facilitated with the company *Demadera, Arte & Espiritu* in Cali, who showed interest in supporting the CC with this initiative. In the following quarter, an exchange trip will be carried out with 5 participants from the carpentry shop in Yurumangui to improve their knowledge and capacity for wood transformation and commercialization. In addition, new machinery will be donated in the coming months. The BIOREDD+ team is supporting the Council to seek approval from CVC to legally extract wood on an area of 750 hectares.

Bajo Calima/ Alto, Medio y Bajo Dagua/ San Cipriano Grant

This grant started in June 2013 and has spent 21% of its budget. Similar to Yurumangui, the CC of Bajo Calima developed a participatory approach to regulate the use of forests, including zoning, conservation measures, sanctions and incentives. Current practices that threaten the bio-physical integrity and organizational structure of the territory have been clearly identified, including illegal mining and illegal logging. To improve the *chontaduro* and *borojo* value chains, a feasibility study for a processing plant was undertaken. On the basis of this, two private companies in Cali (De la Provincial and La Dispense) expressed interest in forming alliances and give technical support to local producers.

Anchicaya/ Mayorquin / Raposo Grant

This grant started in June 2013 and has spent 24% of its budget. The technical team in charge of the fisheries component of the project has been trained by BIOREDD+ and AUNAP in methods, formats, equipment and materials to be used to collect data for fisheries assessments and monitoring. During this quarter, socio-economic assessments of artisanal fisheries were carried out through surveys with 160 fishermen and 141 piangueras, representing 35% of the total population of resource users in 12 coastal villages within the three CCs. The assessment identifies the main sites for fishing and piangua collection, which will later be geo-referenced to map the zones. A sub-contract is being drafted with the “Fundación para la Inversión Social” (FIS) to improve the two processing sites for fisheries products in Anchicaya and Mayorquin. In the next quarter, fisheries monitoring of artisanal fishing will begin with community participation and a pilot project to manage river-shrimp (Munchilla) with a view to developing shrimp ponds, will be developed.

Naya Grant

This grant started in June 2013 and has spent just 16% of its budget to date. The technical team in charge of the fisheries component of the project has been trained by BIOREDD+ and AUNAP in methods, formats, equipment and materials to be used to collect data on fisheries assessment and fisheries monitoring. During this quarter, socio-economic assessments of artisanal fisheries were carried out via surveys undertaken with 233 fishermen and 102 piangueras, representing 15% of the total population of resource users in 16 coastal villages within the CC. In the coming months, participatory monitoring of artisanal fishing will begin. To strengthen responsible fishing, an ice machine will be bought next quarter to reduce production costs and maintain the cold chain. This CC already has a cold room provided by ACIDI-VOCA.

In order to strengthen the rice value chain as an economic alternative for a group of piangueras, a first assessment of rice production and consumption was carried out. The report shows that a family uses an average of 1.25 kilos per day within the CC. Local production is only covering 18% of the demand at present. At present, 63 piangueras are involved in this activity, but it is expected that this number will increase up to

100 by the end of the project. In the next quarter, work will begin on strengthening the organizational and commercialization capacity of the piangueras to expand rice production.

La Plata / Ladrilleros / Puerto España y Miramar / Bazan Bocana

This grant started in June 2013 and has spent 32% of its budget to date. This is probably the “star performer” of the new grantees to date. During this quarter, socio-economic assessments of artisanal fisheries were carried out via surveys with 307 fishermen from the four CCs, based on the protocol used by SEPEC (*Servicio Estadístico Pesquero Colombiano*) which is used in National Parks in Colombia. A responsible fisheries agreement was signed by 58 fishermen in Bazan-Bocana at the end of September, in which fishing practices like dynamite are strictly prohibited and the use of traditional practices is stimulated. In order to verify and assess compliance with this agreement, a joint management scheme with the National Natural Park of Uramba Bahía-Malaga has been designed, taking into account that Bazan-Bocana is a neighboring territory of the protected area. The National Parks Authority has agreed to provide technical assistance to the project team in fisheries monitoring activities and to move forward with a fisheries planning proposal for the protected area, which will include the other 3 CCs taking part in the project (Ladrilleros, Puerto España and La Plata).

In alliance with *Aventur (Asociación Turística y Cultural de Buenaventura)*, the 4 participating CCs carried out a first assessment of tourist attractions in order to prioritize and define the 4 tourism products that will be supported via the project. The selected products are: (i) La Plata–Bahía Malaga: piangua boat tour and harvesting (donation of two outboard motors); (ii) Bazan-Bocana: boat tour through mangroves (guide training, marking, etc.); (iii) Ladrilleros: construction of a cultural center, and Puerto España Miramar: construction of an Eco cabin to host tourists interested in viewing sea turtles. These 4 products will benefit more than 200 families. A sub-contract with FIS is being developed to support the construction activities in Ladrilleros and Puerto España in line with USAID guidelines.

One of the major challenges with this project is to improve cooperation with the Uramba-Bahía Malaga National Park and other institutional stakeholders in the area (AUNAP, CVC; etc.) to reinforce zoning, management plans, enforcement, tourism planning and leveraged funding.

Solimar Subcontract

In the past several months the biodiversity team has worked intensively with the Chemonics PMU to adjust the Solimar proposal so that the final proposal will guarantee more tangible outputs, over and above capacity building *per se*. The main objectives of the proposal are: (i) to increase the capacity of 4 community organizations to manage and operate tourism businesses in the Nuqui area, and (ii) to design and implement an inbound marketing strategy to better position the destination and improve sales. Some additional adjustments will be made to the final proposal next quarter, and activities are expected to begin during December.

DANTA Subcontract

The consultancy, which began during the previous quarter and assesses alternatives to improve the artisanal fisheries cold chain in BIODDD+ intervention areas along the Pacific coast, delivered its last deliverables at the end of September. These documents are: (i) an estimation of current supply of fish products in each of the three areas of intervention; (ii) an analysis of the potential for alternative energy sources in each area, and (iii) technical proposals for cold rooms and ice production in each area. These documents are being revised by the biodiversity team, with support from the Clean Energy Program of USAID.

Cross-Cutting Activities

The following cross-cutting activities took place over the period:

Spin Evolution

BIOREDD+ hired the company Spin Evolution to carry out the second phase of the design and implementation of a technological tool that will help AUNAP improve its operations. A work plan agreed with AUNAP has already been delivered and a follow-up committee of BIOREDD+ and AUNAP was formed to supervise the implementation of the work plan. Additional technical assistance to supervise this contract is being provided by USAID through an Information Management Specialist.

Memorandum of Understanding with AUNAP

Towards the end of the quarter, a meeting with AUNAP's Director resulted in a draft MOU which seeks to formalize diverse areas of cooperation and leverage additional support from this institution towards Community Councils that are working on fisheries agreements and management with BIOREDD+, for example, fisheries monitoring and the enforcement of fisheries agreements. It is expected that the MOU will be signed next quarter.

Participatory Monitoring of Fisheries Resources

In order to promote and facilitate the implementation of community monitoring of fisheries and piangua, two notebooks have been designed by the BIOREDD+ fisheries consultant. This initiative has support from AUNAP. A preliminary design and format is being revised and adjusted. Printing will take place next quarter.

First Symposium on Participatory Management of Fisheries and other Biological Resources.

BIOREDD+, in alliance with AUNAP, Conservation International (CI) and the Fondo Accion Ambiental, forms part of the organizing committee of the Symposium that will take place in November 2013. The Program will support travel expenses of 2 local community delegates from Tumaco and 3 from Buenaventura to present their experiences with BIOREDD+ and participate in a national discussion that could lead to a new regulatory framework for co-management of fisheries. The Program will make at least 5 oral presentations at the event.

Technical Assistance for Evaluation and Revision of Local Management Strategies and Sustainable Use of Fisheries Resources

With the aim of strengthening the design and implementation of fisheries management strategies and value chain improvement, terms of reference were drafted to develop an international consultancy with the fisheries research group at the Smithsonian Institute in the US.

Agreement with Universidad del Tolima . Centro Forestal Tropical del Bajo Calima

A meeting with staff from the Universidad del Tolima and legal representatives from Cajambre, Bajo Calima, Anchicaya and Yurumanguí was carried out in Buenaventura. A second meeting was held with the Dean of the Forestry Faculty of the University to discuss potential support from this University for improved forest management with CCs considering entering REDD+ projects.

Agreement with SENA – Buenaventura

A meeting was held with the regional manager of SENA in Buenaventura and a draft agreement was developed for 2014. The idea is that SENA will carry out capacity building for selected communities supported by BIOREDD+ in areas such as safe boat handling, best practices for manufacture and processing of fish products, cold chain, tourism guides and services.

Leveraged Funding from DPS

Two new projects were presented to DPS funding by the CCs of Bajo Calima and La Plata-Bahía Malaga with technical support from the BIOREDD+ team. The first one is to build a collection center for *chontaduro* and *borojo*, linked to a potential processing plant. The second one is to strengthen the tourism value chain in the area of Bahía Malaga. Both initiatives seek to complement activities carried out within the current BIOREDD+ grants with these CCs.

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

Key priorities for the next quarter are:

- Move ahead with agreements between BIOREDD+ and Community Councils and government and academic institutions to promote the objectives of the Program: CVC and CORPONARIÑO (productive projects, enforcement of mangrove and fisheries agreements, green markets and bio commerce); Universidad del Tolima (productive projects at Bajo Calima and Cajambre) and SENA (capacity building).
- Strengthen relationships with potential clients of cacao, fish products and *chontaduro*.
- Implement commercial pilots with cacao and fresh fish products from Bajo Mira, ACAPA and Cajambre.
- Provide more support to strengthen ongoing tourism and artisanal fisheries in Nuqui.

SECTION IV

INFORMAL MINING IN ANTIOQUIA

A. STRATEGY OVERVIEW AND OBJECTIVES

The gold mining component of BIOREDD+ is working in two clusters of municipalities: in the Bajo Cauca² and in the Northeastern³ regions of Antioquia. These are largely areas prioritized by the Government of Colombia's Consolidation Program and by the Regional Secretariat's Mining Action Plan for Antioquia.

The gold mining component of the BIOREDD+ formally began activities during the last quarter. This component seeks to promote greater security in key mining areas of Northern Antioquia through the improvement of the environmental, economic and social performance of informal mining activities. BIOREDD+'s mining component has developed an activity portfolio sub-divided into four main thematic areas⁴:

- Governance and Mining Rights This includes improving the regulatory framework to facilitate the formalization of informal mines, capacity strengthening of municipal authorities and small mining associations, and improving incentives for miners to become legal and better organized.
- Sustainable Livelihoods, Value Chain and Environmental Management This includes the development of partnerships between small informal miners and large mining operations, the certification of miners, the expansion of alternative/complementary economic activities, the assessment of ambient mercury pollution, and the introduction of cleaner technology to reduce or eliminate mercury use.
- Improvement of Degraded Areas This is focused on the implementation of pilot restoration projects on land degraded by mining activities.
- Licit Culture This is based around the implementation of a communications campaign to promote licit values in general and the benefits associated with more sustainable legal mining in particular.

Indicator Number	Indicator	LOP Goals	Achieved Q4
BR-I-001	Number of hectares rehabilitated with alternative / complementary activities such as rubber and cacao	25	0
BR-I-002	Number of miners accessing new markets that recognize the economic value of gold from mining operations with	30	0

² El Bagre, Nechí, Zaragoza and Caucaasia.

³ Remedios and Segovia.

⁴ These have been reorganized a little from the last quarter to bring greater coherence to implementation.

	high environmental and social performance		
BR-I-003	20% reduction in purchase and use of mercury (Hg).	25	Elimination of 1.05 Tons of Mercury. 1% Hg used annually in Segovia.
BR-I-004	Number of mining operations with formal mining rights	60	Five organizations signed formalization agreements with GranColombia Gold.
BR-I-005	Number of small producer associations with strengthened capacity to provide legal and technical assistance to their associates and to participate in the implementation of environmental monitoring and compliance	3	0
BR-I-006	Number of municipalities with strengthened capacity to provide technical, legal and organizational assistance to small mining operations and organizations.	3	0
BR-I-007	Number of incentives developed or used to promote and support formalization of small mining operations	3	0
BR-I-008	Number of miners trained in environmental regulation, labor obligations, improved technology and best practices	200	107
BR-I-009	Number of small mining operations linked to environmental certification programs.	30	0
BR-I-010	Number of new legal and regulatory instruments (designed, proposed, adopted) to facilitate the improvement and formalization of informal miners.	3	0
BR-I-011	Number of recipients of a communication's campaign to foster a culture of legality in the region.	10,000	0

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

Component activities during the quarter have been undertaken in accord with those established in the work plan across four main thematic areas. Despite a rapid start-up and some extremely challenging conditions, including the closure of the office for a period of days due to the mining strike in Antioquia, the component is operationally strong, well organized and very well received by a wide range of diverse stakeholders.

Governability and Mining Rights

At the national level, as a result of visits to the Bajo Cauca Region and the working meetings held with the Ministry of Mining and Energy (MME) and the Ministry of the Environment and Sustainable Development (MADS), legal requirements to facilitate the process of legalization and formalization of small-scale miners were clarified. The immediate priority is to move forward with the finalization and implementation of the environmental guide for small-scale mining. In addition, it was deemed necessary to support the regulatory process which underpins formalization contracts (laid down in article 12 of Law 1658 of the 2013 Mercury Act) in coordination with the MME; as well as the environmental certification for mining production units (MPU), with the MADS.

During the period, BIOREDD+ made significant early progress in signing and developing a regional agreement to facilitate the legalization and the formalization of small-scale miners in the Program's intervention areas. Based on the importance of linking public institutions and private companies (larger gold mines) in this process, the Program developed Memoranda of Understanding (MOUs) with: (i) the Government of Antioquia (Secretariat of Mines, and Agriculture) and the ME; (ii) Mineros S.A; iii) Gran Colombia Gold, and iv) Minatura S.A.

In addition to forging these regional agreements, the technical team from BIOREDD+ identified and worked closely with 15 small miners associations to collect technical, economic, social and environmental information on approximately 250 MPUs. Based on this information, and in the context of existing Colombian mining and environmental laws, the Program will undertake a joint analysis with the Government of Antioquia and the mining title holders, to determine which MPUs can access mining titles in "title-free" areas, or sign operations contracts with existing title holders. These will become candidates for future formalization.

BIOREDD+ and ASOMINAS obtained information from a further 120 MPUs. On the basis of this it has been possible to identify 45 potential operational contracts with Gran Colombia Gold and upgrade/adjust 14 more. The first 5 contracts have already been signed (which is in itself something of a record) and 30 more are planned during the next quarter (reaching 58% of the corresponding LOP indicator target).

In the Bajo Cauca Region, 13 MPUs located in free areas were also identified. The Secretariat of Mines for Antioquia and the National Mining Agency are responsible for the legalization process, through the issuance of new mining titles. Work has begun on securing authorization from these bodies to proceed with the formulation of the work plans and environmental management plans is expected.

Sustainable Livelihoods, Value Chain and Environmental Management

The successful negotiation of new mining permit or an operations contract (and the subsequent formalization process) requires profound changes in the way small miners produce gold. One of these changes is related to the significant reduction in mercury used to process gold ore. This is indeed the case for the 5 MPUs that signed operations contracts with Gran Colombia Gold this quarter. As part of this agreement, their ore will now be processed in Gran Colombia Gold's Plant and not in the uncontrolled, rustic processing plants located

in Segovia. Over the next 12 months alone this will result in a reduction of 1,046 kilograms⁵ of mercury (or about 1% of all mercury used in gold processing in this town annually).

Improvement of Degraded Areas

The Program will concentrate the bulk of its restoration activities in the alluvial valley of the Nechí River where significant damage is concentrated, where negative impacts are more visible and where landscape alteration is more alarming. Based on field visits and other meetings held by the Program's technical team during the quarter, opportunities to work on two fronts were identified: (i) supporting the licit, local economy through the development of productive forest areas on sites degraded by mining, and ii) initiating the ecological, non-commercial improvement of degraded areas for strategic community reasons, largely related to water and ecosystem conservation.

With regard to the development of commercial forestry, an agreement was signed in September 2013 with the “Reforestadora Integral de Antioquia” (RIA) and the owners of the degraded land, to proceed with the establishment of 600 hectares of Acacia plantations in the municipality of Nechí (located in the northern part of Bajo Cauca, Antioquia). The economic benefits generated by the forest plantations will be distributed over time in equal proportion to initial contributions, between RIA, the owners of the degraded land and a local social organization that will benefit from the USAID-financed contribution. An organization that works with vulnerable local populations and which takes an active role in reforestation and maintenance works will be selected as the USAID beneficiary.

Communications (Including Licit Culture Campaign)

Highlights of the work this quarter included:

1. BIOREDD+ Participation and Stand in the “IX Colombia Minera” International Mining Fair

From the 25th through the 27th of September, BIOREDD+ participated in the 2013 “IX Colombia Minera” International Mining Fair, held in Medellín, Antioquia. In addition to taking part in different activities regarding responsible mining, BIOREDD+ designed a booth with interactive displays to disseminate the program’s work on: Formalization and Legalization; Mercury Use Reduction; and Restoration of Degraded Areas. The stand included high-quality graphic design exhibits, video, and printed materials that were distributed during the event.. Furthermore, BIOREDD+ invited two international experts (from Canada and Spain) to give conferences on mercury use reduction, and degraded areas restoration.

2. USAID and the BIOREDD+ Program signed official agreement with the Government of Antioquia

On the 25th of September in the Government of Antioquia, Medellín, USAID participated in an event to officially launch its collaboration on responsible mining. The event, which was documented regionally by TELEANTIOQUIA, was headed by Sergio Fajardo, Governor of Antioquia, Peter Natiello, USAID Colombia’s Mission Director and Peter Doyle, BIOREDD+ Director. The event was also the *de facto* launch of the BIOREDD+ ANTIOQUIA Licit Values Campaign, implemented by the Government of Antioquia and BIOREDD+.

3. Gran Colombia Gold and BIOREDD+ seal alliance for the formalization of small miners

⁵ On average, each small miner mines daily 20 tons of ore with an average production of approximately 7 grams of gold. Each gram of gold requires about 8 grams of mercury for amalgamation.

In the framework of the 2013 “IX Colombia Minera” International Mining Fair, Gran Colombia Gold and BIOREDD+ held an event with representatives of five small mining associations to officially launch their alliance in the region. This activity will form part of a documentary on BIOREDD+’s work in Antioquia.

4. BIOREDD+ ANTIOQUIA Licit values Campaign

BIOREDD+ and the Government of Antioquia established the main lines of action of a wide-ranging Communication Strategy for the region. After a series of meetings and collaborative discussion, the Strategy that includes a multi-level, multi-target, communication campaign based on responsibility and legality values, will be launched in Bajo Cauca and Northeastern Antioquia in the next quarter.

5. BIOREDD+ ANTIOQUIA in the Monthly Electronic Bulletin

Three monthly bulletins (July, August, and September) were prepared, designed and distributed to BIOREDD+ contacts including information on BIOREDD+’s work in Antioquia.

6. BIOREDD+ ANTIOQUIA Institutional materials

A series of products (posters, banners, presentation cards, and maps) among others, were designed and distributed.

7. Video and Photography Production

A high definition video about BIOREDD+’s work in Antioquia was filmed and will be published next quarter.

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

Governance and Mining Rights

In November, under a BIOREDD+ subcontract, ARMONICA S.A.S will begin training miners in Northeastern Antioquia on formalization. Additionally, in the same month, 15 associations will be strengthened in their ability to support their members regarding legalization and formalization processes. Beatriz Duque, a Program consultant with extensive mining experience, will accompany both the training and the organizational strengthening work. Completion of these activities in 2014 will fully meet the quantitative indicator target (100%). In December 2013, BIOREDD+ will begin to support 9 MPUs located in Caceres and 5 in Zaragoza (24% of the target). The Program team in the region continues to work hard to identify additional MPUs that can be legalized.

It should also be noted that arising from USAID meetings with the MME, a formal request was received from the now ex-Vice-Minister of Mines to support activities being developed by the Mining Roundtable in Chocó, where more than 20 Afro Colombian Community Councils (CCs) are represented. Thus, in the next quarter BIOREDD+ will secure the services of an appropriate organization to support the CCs in the formulation of internal bye-laws with regard to chapters IV and V of the Act 70 (relating to mining) and also in the formation of an Association of Councils to support the formalization and legalization processes related to mining in the Department.

Sustainable Livelihoods, Value Chain and Environmental management

Given the Program’s current formalization projections (supporting 35 MPUs), another 10 tons of mercury will be eliminated from the gold production chain in the coming quarter. The next quarter will also see the introduction and transfer of clean technology (gravity concentration) to 5 associations of small miners who operate along the region’s rivers (*Minidragueros*). The associations represent some 400 miners who currently use about 1.4 tons of mercury per year in their operations. The new technology should increase gold recovery

by 15%, as well as removing approximately 90% of mercury presently used in the process (1.2 tons of Hg per year). A win-win situation if ever there was one.

Improvement of Degraded Areas

In the next quarter RIA will move ahead with three activities:

1. The selection of beneficiaries and plots (ensuring that 40% pertain to small landowners on plots of less than 20 hectares).
2. The production of plant material in nurseries.
3. Technical assistance (TA) to owners to prepare land⁶.

In addition, the competitive selection process will be completed to select the organization to implement the rehabilitation of 300 hectares located in the Quebrada Villa watershed, which supplies water to the aqueduct of the municipality of El Bagre. As part of this activity, beekeeping projects will be developed to generate incomes linked to conservation of the area and further mitigate the risk of future degradation. It is expected that by mid-2014 a total of 900 hectares of degraded mining lands will have been rehabilitated in El Bagre and Nechí.

Communications (including Licit Culture Campaign)

Priority actions for the coming quarter are:

1. BIOREDD+ will launch its restructured website with updated multimedia material, including the program's work in Antioquia.
2. Work will begin on the production of a radio soap opera to reinforce licit values and radio spots will be launched.
3. BIOREDD+ will promote licit values linked to young people's involvement in music via a donation to the "Fuego en mi Mente" Foundation.
4. Success stories will be drafted, documented and presented.
5. BIOREDD+ will develop at least one high-profile positioning piece in the national media during the next quarter regarding the program's work in Antioquia.

⁶ All activities will comply with mitigation recommendations established in an environmental impact assessment to be contracted by BIOREDD+ during the coming quarter.

SECTION V

ESTABLISHING PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

A. STRATEGY OVERVIEW AND OBJECTIVES

This intermediate result of the BIOREDD+ program is designed to form alliances with the private sector and public institutions in order to maximize the impact and sustainability of the activities, particularly after BIOREDD+ ends. Under the climate change component BIOREDD+ is seeking to leverage significant resources from private sector investors in REDD+ projects. Under the biodiversity component, BIOREDD+ is working with public sector institutions like DPS as well as a growing group of private sector investors. The key indicators and targets set are shown below.

Reference	Indicator	Adjusted LOP Goals	Year Two Goals (cumulative)	Achieved Q4
BR-4-010	Amount of investment leveraged in U.S. dollars, from private and public partnership resources, for climate change as a result of USG assistance.	\$9 MN	\$0 MN	This quarter marked a significant ramping up of REDD+ marketing with upwards of US\$ 12 million in potential private-sector investment identified.
BR-4-013	Amount of investment leveraged from public and private partnership sources for management of natural resources in protected areas and buffer zones, indigenous reserves (<i>resguardos</i>) and Afro-Colombian territories (<i>consejo comunitarios</i>).	\$2.2 MN	\$1.2M	An additional US\$ 37,176 of investment was registered via the MarViva and Bajo Mira y Frontera grants.

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

LEVERAGING PARTNERSHIPS AND MAXIMIZING RESOURCES THROUGH PPPs (4.4.1)

Identifying Private Sector Partners for REDD+ Investment

During this period BIOREDD+ participated in the Latin American Carbon Forum in Rio de Janeiro where two new important investors on the carbon finance side were identified: (i) The Moringa Fund, which recently closed, with a strong focus on agroforestry, having private and ONFI money behind it, and an interest in Colombia; (ii) the Permean Global Fund, which is a carbon forestry fund based in London, funded by former Barclays Cap personnel. The Program also made contact with the Sustainability Manager at Bancolombia – Franco Piza - who expressed interest on working with BIOREDD+. Bancolombia is not interested in carbon, but are interested in more a comprehensive social development alliance that includes access to production chains and capacity building.

Individual commercial contacts were developed with:

Althelia The Latin American representative of the Fund field visit to Colombia with the BIOREDD+ team. His visit triggered the development of a draft proposal document and budget that is currently under revision by Althelia management.

Eneco The Program initiated contact with Mark Merryck, providing him with general program information. On the basis of this he selected the Siviru-Usaraga-Pizarro-Piliza Project and BIOREDD+ staff began work on the specifics of the proposal. Discussions on the term sheet are ongoing.

Bunge The Bunge group has expressed interest in REDD development in the Tumaco area as far back as the MIDAS Program. While the interest in carbon has waned, they continue to express an interest in agricultural development as equity partners. A proposal was developed and presented during the quarter and several conversations sustained. These will continue next quarter.

Citi Bank The Program met with the Carbon Desk team and presented the program and the DCA mechanism. Citi sits on the Climate Council of Citi (CSR) and according to their staff, offsetting and carbon neutrality is not a popular idea in the council (just like it isn't for HSBC and some others). They do not see Citi buying for CSR *per se*, but say that they are indeed now starting to do some voluntary transactions because how flat CDM is and because they have a very charismatic CDM that will sell at better prices as VER (as opposed to CER). They said that BIOREDD+ is exactly the type of project they would like to have in their portfolio and are very interested in the guarantee mechanism. However, they think it is too early at present and they need to work more with their risk department to get buy-in for voluntary transactions in a timeframe of 6 months to a year.

Threadneedle Unfortunately this company cannot invest in the BIOREDD+ as they only do business with publicly listed companies (which of course none of the communities are). On the plus side they offered to put us in contact with other CSR players and suggested that we approach the signatories of the Green Protocol in Colombia.

The Carbon Neutral Company The Program prepared a presentation for one of their biggest clients – Microsoft - and met with Zubair Zaik, Head of Originator. Unfortunately, Zubair considers that the clients are not ready to take performance risk and want access to already issued VCUs.

HP After meeting Paul Ellingstad in the Responsible Investments Conference (in April), the Program followed up as agreed with emails containing information regarding possible HP in-kind cooperation in the projects. There has been no further contact.

Waitrose The follow up with Waitrose started during the period to discuss both carbon offsetting and a route to market for sustainable products associated with carbon activities. These discussions led to a meeting in October and a generated a list of very useful contacts provided by him. They have expressed an interest in purchasing Acai from BIOREDD+ projects.

South Pole Conversations with South Pole began for the possible future brokerage services.

Melia Hotels Melia does not have a HQ budget to offset emissions for this year, but it was suggested that the Program start with Melia in Colombia. Unfortunately, Melia Colombia is a franchise and HQ Melia only has an advisory role.

Global Garden GG is looking for high quality REDD projects to launch a Natural Capital Bond; however, they need issued credits. The Program will follow up in the future when the projects are more mature.

Coordinating for Leveraged funds from a Partnership between the Colombian Department for Social Prosperity (DPS) and USAID

Once final accounting exercises are undertaken on the DPS investments in the grants to ACAPA, Bajo Mira and Frontera and Cajambre total public sector investment is expected to rise to over US\$ 1.3 million (around 60% of the LOP goal) during the next quarter.

Other Private Sector Commercial Agreements

During the quarter, the Program worked hard with communities and the Bogota-based restaurants DLK, Bruto, Bandido and Astrid y Gastón to finalize agreements for the purchase of fresh fish (in support of sustainable fishing activities in Buenaventura and Tumaco).

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

Activities in the coming quarter will focus on:

1. Developing negotiations with Althelia, Eneco and Bunge in the first instance and continuing to reach out to other potential investors.
2. Initiating conversations with the Fundación Bavaria as part of a potential involvement in the new “Destapa Futuro en la Región del Pacifica” program.
3. Continue to work with DPS to leverage additional funds via grant extensions in Bajo Mira y Frontera, ACAPA y Cajambre.
4. Finalize contracts for the purchase of sustainable, fresh seafood with commercial buyers in Bogota.

SECTION VI

IMPLEMENTING MONITORING & EVALUATION AND KNOWLEDGE MANAGEMENT

During the quarter, M&E staff continued to support grantees in collecting data and monitoring performance for uploading to the MONITOR platform used by USAID for monitoring and evaluation and environmental compliance. The tables below provide an overview of progress to date for contractual performance indicators as well as internal program indicators.

No.	INDICATOR	TARGETS (cumulative)			ACHIEVEMENTS (cumulative)		
		Total LOP	Y1	Y2	Through Y1	Through Q3/Y2	Through Q4 /Y2
BR-4-001	Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance.	400,000	200,000	300,000	0	132,374	132,386
BR-4-002	Number of institutions /organizations public and private with improved capacity for effective environmental resource management.	30	6	14	3	4	19
BR-4-003	Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance.	7,000	0	3,000	0	4,781	5,084
BR-4-004	Number of institutions with improved capacity to address climate change issues as a result of UGS assistance.	15	0	5	0	1	9
BR-4-005	Number of laws, policies, strategies, plans, agreements, or regulations addressing climate change (mitigation or adaptation) and/or biodiversity conservation officially proposed, adopted, or implemented as a result of USG assistance.	24	2	14	26	32	33
BR-4-006	Number of mitigation and/or adaptation tools, technologies and methodologies developed, tested and/or adopted.	4	0	4	0	0	3
BR-4-007	Quantity of Greenhouse Gas (GHG) emissions, measured	18	1	1	0	0	0

	in metric million tons of CO2 equivalent (CO2e), reduced or sequestered as a result of USG assistance						
BR-4-008	Number of REDD+ projects designed, validated and marketed.	8	0	0	0	0	0
BR-4-009	Number of stakeholders with increased capacity to adapt to the impacts of climate variability and change as a result of USG assistance.	8	0	0	0	0	0
BR-4-010	Amount of investment leveraged in U.S. dollars, from private and public partnership resources, for climate change as a result of USG assistance.	9M	0	0	0	0	0
BR-4-011	Number of communities and other stakeholders adopting sustainable practices to improve biodiversity conservation.	17	0	10	0	2	14
BR-4-012	Number of management plans approved and implemented for /in ecosystems of biological significance as a result of U.S. government assistance	5	2	4	0	0	2
BR-4-013	Amount of investment leveraged from public and private partnership sources for management of natural resources in protected areas and buffer zones, indigenous reserves (<i>resguardos</i>) and Afro-Colombian territories.	2,2M	0	1,2M	33,092	694,511	731,678
BR-4-014	Amount of economic benefits (US dollars) from payments from ecosystem services and/or ecotourism through public and private partnerships	2M	0	0.5	0	647,223	655,683
BR-4-015	Number of people receiving USG supported training in natural resources management and/or biodiversity conservation.	3,100	50	2,050	339	1,603	1,788

During the final quarter of FY2, BIOREDD+ made significant improvements in its performance against contractual indicators under DO4, with an overall achievement of 119% against Year 2 quantitative targets (and 46 % of total LOP goals) and showing positive movements in 11 of the 15 indicators. Particularly noteworthy was performance against indicators BR-4-002 (136%), BR-4-003 (169%) BR-4-004 (180%), BR-4-005 (236%), BR-4-011 (140%) and BR-4-014 (131%). Given the dynamic of the program, the bulk of the key climate change indicators (largely linked to successful REDD+ negotiation) are expected to be seen towards

the third quarter of the coming financial year. One of the key biodiversity indicators, BR-4-001 (number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance), which currently shows a 44% achievement level, will increase significantly in 2014 as additional coastal and marine areas are georeferenced, linked to the development of sustainable fishing initiatives.

Table 9. BIOREDD+ Indicators of Biodiversity and Climate Change Components

No.	INDICATOR	TARGETS (cumulative)			ACHIEVEMENTS (cumulative)		
		Total LOP	Y1	Y2	Through Y1	Through Q3, 2013	Through Q4, 2013
BR-4-016	Number of people receiving USG supported training in climate change	1,500	100	1,000	0	576	920
BR-4-017	Number of individuals trained in administrative/ internal control systems, and local monitoring and evaluation systems.	600	15	300	0	143	173
BR-4-018	Number of individuals trained in local adaptation planning, implementation, downscaling climate information the regional level, and image interpretation and processing	25	25	25	0	0	20
BR-4-019	Number of government entities trained in PES implementation, including carbon market readiness	13	4	8	0	0	0
BR-4-020	Number of payment for ecosystem services (PES) programs designed, including carbon market readiness	4	1	3	0	0	0
BR-4-021	Number of low carbon development strategies implemented	3	1	2	0	0	0
BR-4-022	Number of reform processes supported for sustainable fisheries management and marine conservation	3	1	2	0	1	2
BR-4-023	Number of periodic papers, reports, matrices and outreach materials prepared as secretariat to USAID	11	5	8	0	0	0
BR-4-024	Number of Colombian government and other stakeholders receiving project-generated knowledge products	20	0	5	0	39	39
BR-4-025	GIS-based, M&E and reporting system developed	1	1	1	1	1	1

The above table reflects progress in two areas: (i) the creation of installed, community capacity via a diverse array of training and technical support activities - covered by indicators BR-4-16 to 19 - which show an aggregate performance of 77% and (ii) a proactive approach to dissemination of information backed up by a first-class M&E effort – reflected in indicators BR-4-023 to 24 – which far outstrips the LOP target.

No.	INDICATOR	TARGETS (cumulative)		ACHIEVEMENT S (Cumulative)
		Total LOP	Y2	Through Q4, 2013
BR-I-001	Number of hectares rehabilitated with uses such as rubber, cacao, planted forests or natural vegetation.	25	25	0
BR-I-002	Number of miners accessing new markets that recognize the economic value of gold from mining operations with high environmental and social performance.	30	30	0
BR-I-003	20% reduction in purchase and use of mercury	25	25	0
BR-I-004	Number of mining operations with formal mining rights.	60	40	0
BR-I-005	Number of small producer associations with strengthened capacity to provide legal and technical assistance to their associates and to participate in the implementation of environmental monitoring and compliance.	3	2	0
BR-I-006	Number of municipalities with strengthened capacity to provide technical, legal and organizational assistance to small mining operations and organizations.	3	2	0
BR-I-007	Number of incentives developed or used to promote and support formalization of small mining operations	3	3	0
BR-I-008	Number of miners trained in environmental regulation, labor obligations, improved technology, resiliency and best practices	200	200	107
BR-I-009	Number of small mining operations linked to environmental certification programs.	30	30	0
BR-I-010	Number of new legal and regulatory instruments (designed, proposed, adopted) to facilitate the improvement and formalization of informal miners.	3	3	0
BR-I-011	Number of recipients of a communications campaign to foster a culture of legality in the region.	10,000	10,000	0

It should be recalled that in the case of the mining component - which only began activities towards the very end of Q2, FY2013 – Year 2 of the Program is actually Year 1 of the mining work (indeed it only reflects 4 operational months). Thus, significant indicator progress will not be seen until Q2 and 3 of FY2104.

In accord with the BIOREDD+ gender strategy the tables below present gender-disaggregated data related to households and people supported by alternative livelihoods and training activities.

Direct beneficiary	Total	% Total	People/household
Male	1,758	69,1%	4,5
Female	786	30,9%	4,7
Total	2,544	100%	4,6
Female head of household	213	8,3%	4,1

The main economic activities in which female beneficiaries participated during the quarter are: artisanal fisheries (49%), agriculture (47%), ecotourism (2%), and other activities (1%)

	Total	Afro Colombian	Indigenous	Other
Males	1789	1,482	145	162
%	64%	62%	86%	62%
Females	1026	902	25	99
%	36%	38%	14%	38%
Total	2,815	2,384	170	261

IMPLEMENTING KNOWLEDGE MANAGEMENT AND PUBLIC OUTREACH FOR USAID ENVIRONMENTAL ACTIVITIES.

A. STRATEGY OVERVIEW AND OBJECTIVES

Public outreach activities during the quarter continued to focus on three areas:

1. Increasing the impact of BIOREDD+ activities.
2. Promoting USAID.
3. Documenting program activities.

B. KEY ACCOMPLISHMENTS AND CHALLENGES FACED DURING THE QUARTER

“El Cocinero Viajero” in Tumaco and Buenaventura, television production in alliance with CITY TV and EL TIEMPO

BIOREDD+ in alliance with LA FRANCACHELLA Gastronomy Fair and EL TIEMPO newspaper produced two television programs with Dani Meroño “El cocinero viajero” as host, filmed in the communities of Bajo Mira y Frontera (Tumaco) and Punta Bonita (Buenaventura) with beneficiaries of the program. The programs are part of a strategy to connect fishing communities supported by the Program and restaurants in the biggest cities of Colombia. Both programs, filmed in this quarter, will be aired during October and will be used for the promotion of responsible fishing activities in the future. The programs can be accessed in the following links: Tumaco: <http://www.youtube.com/watch?v=j6j7SI0XX3Y>; Buenaventura: http://www.youtube.com/watch?v=VloGI_5OXtQ.

Commercialization and Productive Activities Event for USAID in Tumaco

On the 28th of August, as part of a high level visit by USAID, BIOREDD+ organized an event with representatives ACAPA and Bajo Mira y Frontera in Tumaco. Pater Natiello, USAID Colombia's Mission Director and Mark Lopez, Deputy USAID Administrator for Latin America, attended the event. The communities presented their productive projects, with a particular focus on the production and commercialization of cacao. Felipe Jaramillo, from MITA CHOCOLATE (a niche gourmet chocolate producer) invited by BIOREDD+, delivered a short presentation on the opportunities of reaching highly paid markets with high quality cacao. The event marked the start of a commercial relationship between MITA CHOCOLATE and a woman's, artisanal chocolate group.

La launch of the Francachela Gastronomy Fair

In this quarter BIOREDD+ developed a strategic alliance with LA FRANCACHELA Gastronomy Fair that works with some of the most prestigious restaurants in Bogotá including Astrid y Gastón, Chamberí, Pravda and El Viejo, among many others. For the fair (to be held in October) a visit to the communities of Punta Bonita, Río Cajambre (Buenaventura) and Bajo Mira y Frontera (Tumaco) was made with its organizers and representatives of the restaurants. Flor María Garcías a community leader from Punta Bonita was invited as a special guest to the fair's launch. The event was organized by BIOREDD+ in Bogotá on September 26, 2013 and was attended by the private sector, government, the press, and key BIOREDD+ stakeholders. The Colombian Pacific Region and specifically BIOREDD+'s beneficiary communities will be the guests of honor at the FRANCACHELA Fair, which will serve as a platform to position community products with a broader consumer base.

Monthly Electronic Bulletin

Three monthly bulletins (July, August, and September) were prepared, designed and distributed to BIOREDD+ contacts. The database of bulletin recipients has been constantly updated and organized during the quarter. The bulletin is fully linked to the BIOREDD+ website. The bulletins can be accessed in the following links: <http://bioredd.org/boletines-mensuales/jul-2013/index.html>; <http://bioredd.org/boletines-mensuales/ago-2013/index.html>; <http://bioredd.org/boletines-mensuales/sep-2013/index.html>.

BIOREDD+ Graphic institutional materials

A series of graphic products, such as posters, banners, presentation cards, and maps, among others, were designed and elaborated for institutional purposes.

Video Production

Three high definition videos about Responsible Fishing, Indigenous Communities and Communitarian Forest Management activities, were produced and published on YouTube. The videos can be accessed via the following links: <http://www.youtube.com/watch?v=KoXy62Ujy0Q&feature=youtu.be>; http://www.youtube.com/watch?v=6P9H849u_pY; <http://www.youtube.com/watch?v=qIekKT7ILLc&feature=youtu.be>.

C. ACTIVITIES PLANNED FOR THE NEXT QUARTER

Priority actions for the coming quarter are:

1. Develop a web-linked system (on-line library) for organizing and accessing technical products and reports linked to BIOREDD+ activities.
2. Develop new set products to enhance the positioning of USAID with its key stakeholders and audiences.
3. Launch a new restructured website with updated multimedia material.

4. Participate in LA FRANCACHELA Gastronomy Fair supporting the Pacific Region Communities.
5. Produce high quality graphic and multimedia material to support the USAID-BIOREDD+ participation in the COP 19 to be held in Poland in November.
6. Develop new success stories.
7. BIOREDD+ will develop at least one high-profile positioning piece in the national media.

SECTION VII

IMPLEMENTING BIOREDD+ MECHANISMS

SUMMARY OF ENVIRONMENTAL ACTIVITIES FUND (EAF) MANAGEMENT

During the final quarter of the Program Year 2, the team executed and developed several EAF activities under the mitigation, adaptation, biodiversity, and mining components. This includes key subcontracts under the mitigation component such as the establishment of permanent and temporary forestry plots to monitor the growth of forest biomass and establish a baseline for carbon for the REDD+ projects. Additionally a Request for Proposal (RFP) was launched for the development of four REDD PDs (one per node) and following selection of the winning bid in October, will begin implementation in December of 2013. Activities under the mining component began implementation with the execution of a grant with RIA for the recuperation of 600 hectares of degraded land through forestry plantations, and a grant and STTA consultancies were executed to assist in the identification of small mining units with potential for legalizing their mining activities. Several RFPs were also issued to assist with formalization efforts in the Bajo Cauca and Northeastern Antioquia regions by providing legal and technical advisory services as well as training to owners and operators of mining units.

In sum, a total of 38 EAF instruments were signed this quarter. These are summarized as follows:

- 4 grants were approved and initiated activities. The EAF and technical teams conducted start-up meetings with the grantees for work planning and review of the grant agreements, final budgets, and obligations.
- A total of 3 subcontracts were executed, including a subcontract for the establishment of 30 forestry system plots, a subcontract for a timber study, and a subcontract for the development of a single window processing application for AUNAP's website.
- 5 short-term consultancies were initiated to support mining legalization and formalization activities.
- 25 participant travel/training activities were implemented to support biodiversity, mitigation and mining component objectives. This includes socialization and training activities for REDD+ projects, supporting community assembly meetings to discuss terms for signing a letter of intent for REDD+ negotiations, participation at the International Mining Fair in Medellin, and demonstration of technologies for gold extraction to small miners.

New activities developed, but not yet in implementation include 6 RFPs, 4 requests for applications for grants, as well as Scopes of Work (SOWs) for consultants and procurements across all four program components.

Activities executed this quarter represent 20 percent of EAF activities obligated to date. In total, about 57 percent of the fund has been formally obligated by the end of the Second Program Year. Grants and Subcontracts represent 76% of the value of mechanisms awarded as detailed in Table 13. Additionally, expenditures in the quarter represented 26 percent of EAF execution to date.

Mechanism	Number of Instruments	Disbursed thru Sept 2013
Grants	18	56%

Purchase Orders	18	91%
Participant Travel and Training	115	86%
Short-term Technical Assistance	75	59%
Subcontracts	16	38%
Total	242	54%

Source: Devresults

Developing Grants and Subcontracts

A total of four grant applications were presented and approved by Technical Evaluation Committees during the quarter. These included two grants developed last quarter by the Chigorodó and Mutatá indigenous communities to support governance and biodiversity conservation efforts in their territories. Additionally, the first grant application received under the mining component was awarded to RIA for the recuperation of 600 Ha of degraded land. The standard grant was approved and initiated activities in September. Finally, a grant to ASOMINAS, a mining association in Segovia, was awarded to collect information from 120 small mining production units with potential for legalization in Northeastern Antioquia.

Table 14. Applications Evaluated during Fourth Quarter FY 2013 – Project Year 2

Reference	Grant Application Title	Approved by TEC	Approved by USAID
BR-GRANT-FOG-018	Strengthening governance and promoting productive activities for the sustainable use and management of natural resources in the indigenous reservations of Polines and Yaberaradó, (Chigorodó, Antioquia Urabá)	Approved	Approved. Implementation activities initiated
BR-GRANT-FOG-019	Collection of information from small mining production units to support the mining legalization process in Northeastern Antioquia	Approved	Approved. Implementation activities initiated
BR-GRANT-FOG-020	Strengthening Indigenous governance for conservation, sustainable use and management of natural resources and the improvement of living conditions taking into account social, environmental, cultural, and economic concerns in the indigenous reservations of Jaikerazavi, Chontaduro Cañero and Coribi Bedadó (Mutatá)	Approved	Approved. Implementation activities initiated
BR-GRANT-STD-001	Ecological and productive improvement of areas degraded by mining through the establishment of forestry plantations (RIA)	Approved	Approved. Implementation activities initiated

The program team also developed Terms of Reference (TORs) for 4 new grant activities under the mitigation, mining and biodiversity components, and invitations were sent to potential grantees as detailed in Table 15. It is expected that the applications and awards will be made in the following quarter.

Potential Grantee identified	Scope of activity	Component
ASAIBA	Updating internal regulations (bylaws) to include REDD related topics in 7 indigenous reserves of Bajo Baudó, Southern Choco, prioritized by the program	Mitigation

ASCOBA	Updating internal regulations (bylaws) to include REDD related topics in seven community councils; recovery of degraded and deforested lands through participatory reforestation in the Community Council of Pedeguita-Mancilla, in the Bajo Atrato municipality of Riosucio Choco	Biodiversity
ASOMINAS	Provision of technical and legal advice services to small mining units in the process of formalization in Northeastern Antioquia	Mining
Fundacion Mineros	Strengthen the technical, administrative and operating capacity of seven associated production units located in the village of Jobo Medio in the municipality of Zaragoza in process of formalizing its mining operations with Mineros SA	Mining

With regard to acquisition procurements, BIOREDD+ issued five solicitations for proposals (see Table 16 below), and continued negotiating a subcontract under RFP-2013-019 for the development of *naidi* (acai) management plans. Activities are expected to begin during the first quarter of Fiscal Year 2014.

Table 16. Solicitations Issued during Fourth Quarter FY 2013 – Project Year 2			
Reference	Solicitation	Proposals Received	Awards made
BR-RFP-2013-019	RFP- Development of <i>naidi</i> management plans in REDD prioritized areas	One	Revisions were requested to proposal received
BR-RFP-2013-020	Updating internal regulations (bylaws) to include REDD related topics in seven community councils in Southern Choco	Two	TBD
BR-RFP-2013-021	Provision of technical and legal advice services to small mining units in the process of formalization in Bajo Cauca	Three	TBD
BR-RFP-2013-022/23	Training of managers and / or owners of small Mining Production Units to strengthen their administrative capacity in order to facilitate compliance with labor, tax, business and accounting regulations/standards	Six	TBD
BR-RFP-2013-024	Provide technical supervision and quality control of permanent and temporary plots that will be established under Subcontract BR-SUBK-FP-018	Sole source (UNAL)	TBD

Additionally, three subcontracts were executed in this period. A subcontract with Econometria-CONIF was issued for the implementation of a timber study to quantify volume of wood extracted in four REDD+ nodes (competed under RFP-2013-016). The program also awarded a sole-source subcontract to Spin Evolution to enhance AUNAP's on-line information system with a single window processing web application (VETA in Spanish). Finally, a subcontract with CONIF was executed for the establishment of permanent and temporary forest inventory plots (competed under RFP-2013-017) to monitor the growth of forest biomass and extrapolate the data to the rest of the REDD+ project area. The plots also allow the identification of the most relevant species present in the area, and monitor their condition over time.

EAF Instruments Executed

The table and figures below summarize new EAF instruments executed during the quarter and the amount of funding committed. Please note that the table does not include instruments approved in previous quarters and currently being implemented.

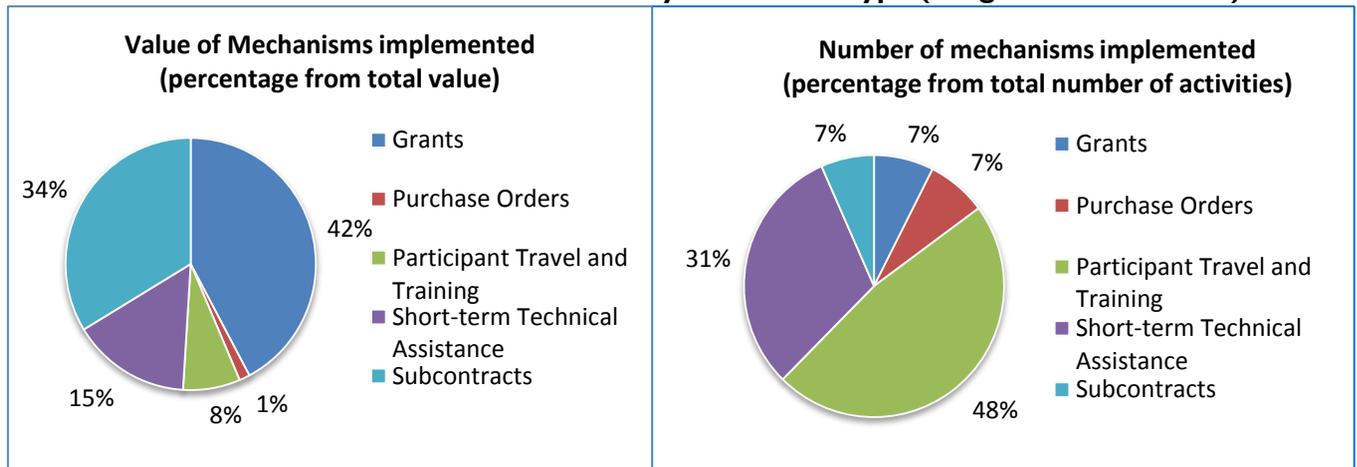
Table 17. Committed Funds per EAF Mechanism (Fourth Quarter FY 2013)

Instrument	Quantity
PO	1
PT	25
GRANT	4
SUBCONTRACT	3
STTA	5
TOTAL	38

Source: Devresults

As mentioned earlier, mechanisms executed this quarter represent 26% of EAF funds obligated to date. While the majority of instruments implemented by number are PTs and short-term consultancies, these represent just 23% of the value of committed funds. The 34 grants and subcontracts and 18 purchase orders awarded through September make up 77% of obligated funds. About 54 % of obligated funds have been invoiced through the end of Program Year 2. Please refer to the charts below for further information on the breakdown of EAF obligated funds by mechanism type.

Charts 1 and 2. Number of activities and value by mechanism type (Program Year 1 and 2)



Source: Calculated with data from Devresults for mechanisms with start date through Sept 30, 2013