



Advancing Sustainable Landscapes in the Andean Amazon

Quarterly Report Quarter 3 FY 2012



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INITIATIVE FOR CONSERVATION IN THE ANDEAN AMAZON

Advancing Sustainable
Landscapes in the Andean
Amazon

Quarterly Report Quarter 3
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LIST OF ACRONYMS

ACCA	Asociación para la Conservación de la Cuenca Amazónica
AFIMAD	Asociación Forestal Indígena de Madre de Dios
AIDER	Asociación para la Investigación y el Desarrollo Integral
ASCART	Asociación de Castañeros de la Reserva Nacional Tambopata
AO	Agreement Officer
AOR	Agreement Officer's Representative
CIAM	Council of Amazonian Regional Governments
CISAS	Sucumbíos Research Center for the Agropecuary Sector
CWR	Cuyabeno Wildlife Reserve
DOI	Department of Interior
Ecolex	Corporación de Gestión y Derecho Ambiental
FY	Fiscal Year
GOREMAD	Regional Government of Madre de Dios
IMA	Water Management Institute (Instituto de Manejo de Agua y Medio Ambiente)
INDACO	Industrias alimentarias de la Convención S.A.
IR	Intermediate Result
ISU	ICAA Support Unit
MAE	Environmental Ministry Ecuador (Ministerio de Ambiente)
MINAM	Environmental Ministry Peru (Ministerio de Ambiente del Perú)
NGO	Non Governmental Organization
NZDZ	Net Zero Deforestation Zones
PNCB	National Program for the Forests Conservation, and the Climate Change Mitigation
PMP	Performance Management Plan
RA	Rainforest Alliance
SENASA	National Service for Sanitary Agriculture Peru (Servicio Nacional de Sanidad Agraria)

SERNANP National Service for Protected Natural Areas Peru (Servicio Nacional de Áreas Naturales Protegidas)

TNC The Nature Conservancy

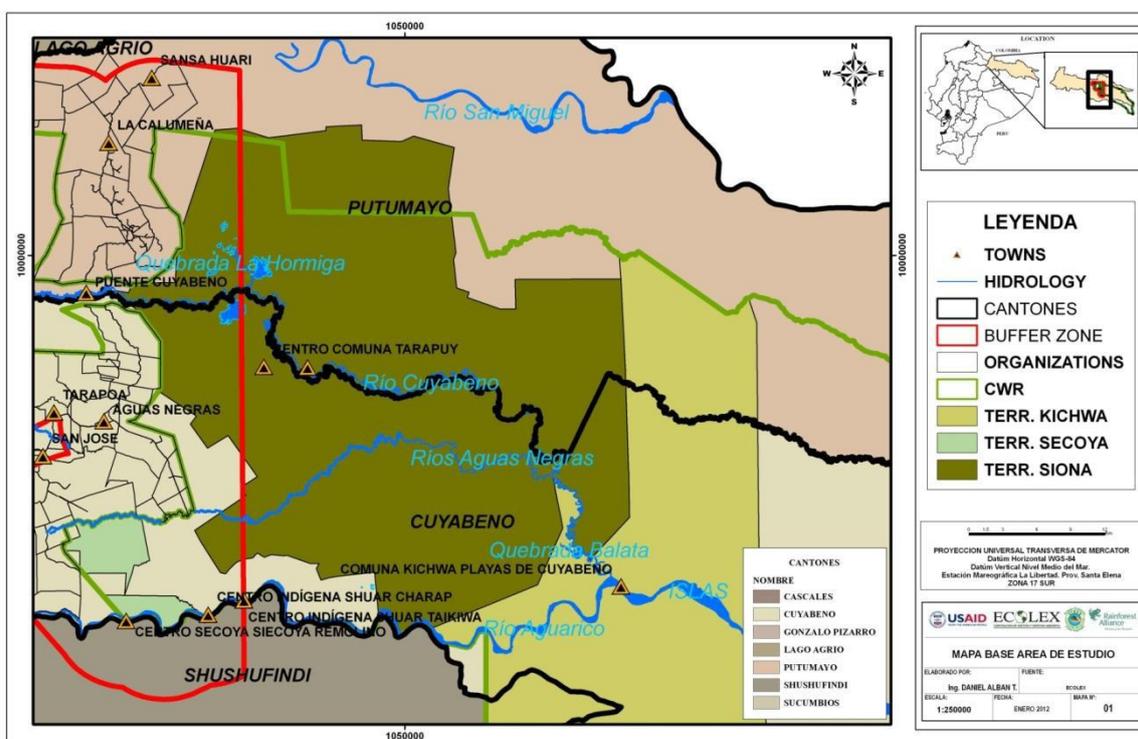
WWF World Wildlife Fund

1 GEOGRAPHIC CONTEXT

Sucumbíos Landscape, Ecuador

The Advancing Sustainable Landscapes in the Andean Amazon (SL) project is working in the Cuyabeno Wildlife Reserve (CWR) and buffer zone in Sucumbíos province.

Within the CWR, in addition to the Putumayo and Cuyabeno cantons, we are also working in the Shushufindi canton. The geographic focus includes the area from the bridge over the Cuyabeno River east to the Siona communities of Tarabeia (previously known as Tarapuy), San Victoriano, and Puerto Bolívar. We are also working with the Secoya community of Sicoya Remolino, which is located in the buffer zone of the CWR.



Madre de Dios/Cusco Landscape

In the Madre de Dios section of the Madre de Dios/Cusco landscape, we are working in the Province and District of Tambopata with the follow stakeholders:

Indigenous Communities (CCNN):

CCNN Tres Islas, with an extension of 32,000 ha and population of 217 (according with last population census, in 2007) - Shipibo-Ese'Eja ethnicity.

CCNN de Palma Real, with an extension of 8000 ha and population of 239 (according to 2007 census) - Ese'Eja ethnicity.

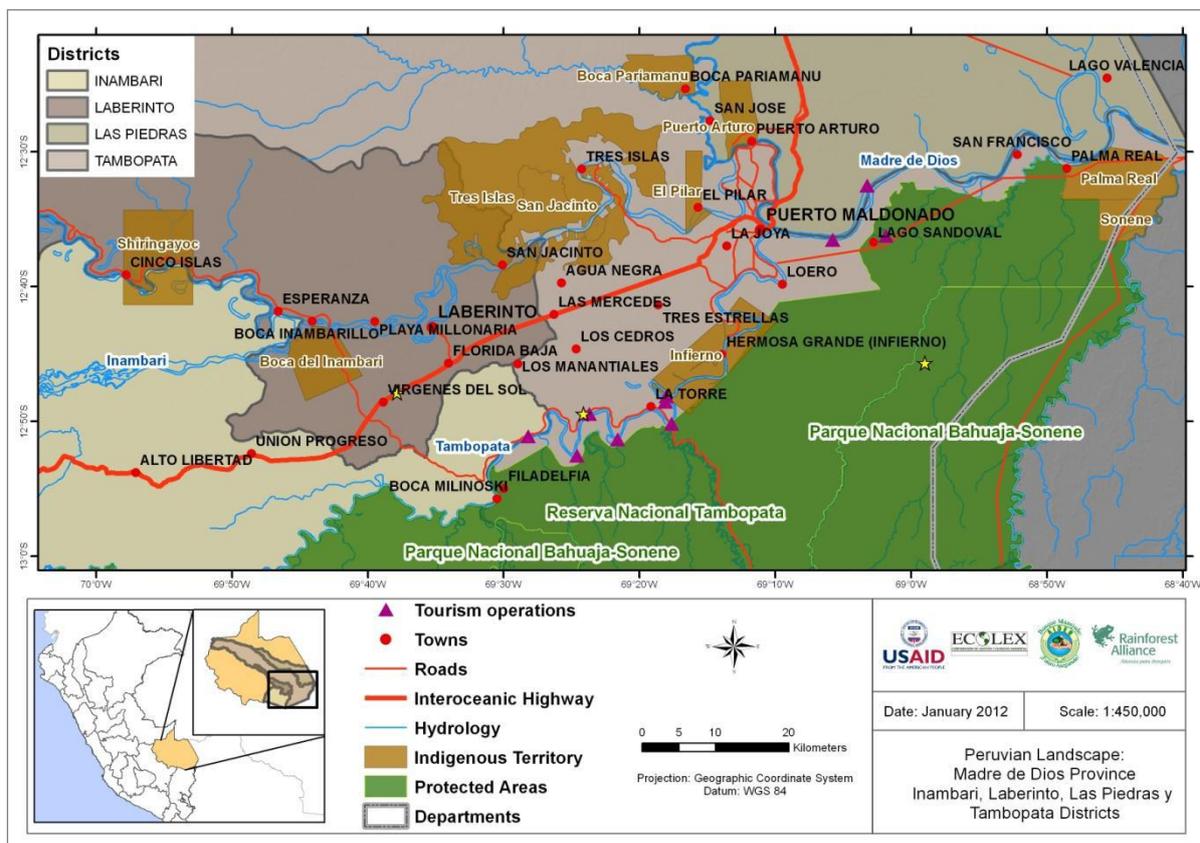
CCNN de Infierno, with an extension of 9000 ha and estimated population of 256 (Census 2007) - Ese'Eja ethnicity.

CCNN Sonene, with an extension of 3,857 ha - Ese'Eja ethnicity.

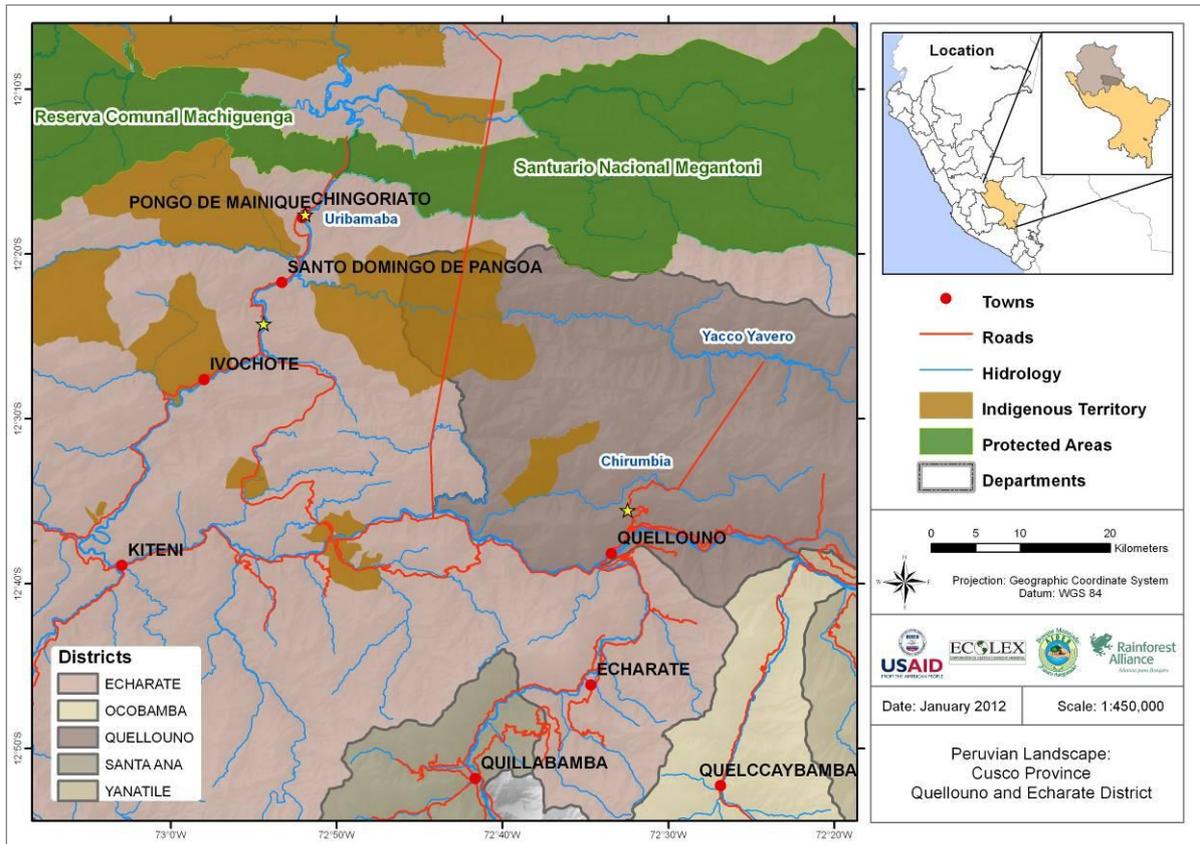
CCNN Puerto Arturo, with an extension of 3,740 ha - Kichuaruna ethnicity.

CCNN San Jacinto, extensión of 18,803 ha - Shipibo ethnicity.

In the Filadelfia and surrounding areas we will work with the Asociación de Productores de Filadelfia and various tourism operations in the upper and middle Tambopata, which together represent approximately 600 ha.



In the Cusco section of the Madre de Dios/Cusco landscape, we will work in the La Convencion and Calca Provinces, and Quellouno and Echarate (La Convención) and Yanatile (Calca) Districts. These areas are found within the Ivochote and Laco – Yavero watershed, which has an extension of approximately 13,500 ha, and include the towns of Ivochote and Pangoa.



2 APPROACH TO COLLABORATION

The SL approach to collaborating with other ICAA II participants and other stakeholders working within the landscapes is to align our strategies and actions with those of the other stakeholders to ensure we take advantage of potential synergies, compliment efforts, and avoid duplication.

To date, illustrative examples of the results of this integrated approach to collaboration include:

Government

Ecuador

- On May 8, the SL presented its work plan activities to the Ministry of Environment (MAE) in a workshop that included USAID and all of its partners utilizing biodiversity and climate mitigation funds. Subsequent to the workshop, on May 21, we met with MAE and USAID to review MAE's comments on the SL work plan, and were provided with two principal contacts in the National Forestry and Biodiversity Divisions within the Natural Patrimony Subsecretary. Several days later MAE sent the comments formally to USAID. In SL's case the comments were minor and will be incorporated into SL's activities. To begin formal collaboration, we held meetings with both MAE principal contacts during the period; the results are presented below.
- During our first meeting with the MAE Biodiversity Director, we presented our proposed activities within the CWR in the areas of tourism and environmental planning and governance. These activities seek to generate tools and mechanisms for strengthening the development of a model for tourism activities within the reserve. The proposed activities were well received by the MAE, and we agreed to hold monthly meetings to discuss activity advances and to ensure effective communication and collaboration occurs. The MAE is interested in utilizing the experience in CWR to replicate certain activities, as well as the sustainable tourism strategy that we are developing, in other protected areas in Ecuador.
- During the meeting with the National Forestry Direction, we discussed the proposed activities to be implemented with the pre-associations located in the buffer zone of CWR as they relate to the application of best management practices, linking production with the market using a value chain focus, and institutional governance strengthening, as a model for reducing deforestation and forest degradation. MAE was pleased with the proposed activities since they align well with the current forestry governance model.

- Another notable example of collaboration with the Ecuadorian government is that the Natural Patrimony Subsecretary requested that Rainforest Alliance provide guidance in areas of forestry governance. During the reporting period, the project forestry manager provided technical assistance to the Subsecretary to define environmental regulations for forestry plantations, and technical regulations for forestry control at final destinations.

Peru

In Peru, collaboration with the government in the period was concentrated at the regional level through participation in initiatives led by the Regional Government of Madre de Dios (GOREMAD). We held meetings with the newly formed management entity of the tourism sector, where public and private organizations met to support the planning and promotion of tourism in Madre de Dios. Our aim is to contribute to the incorporation of criteria for sustainable tourism in governmental initiatives, such as the regulation of the new Forest and Fauna Law, in tourism issues. In addition, we participated and contributed directly to reviving the Forestry Coordination and Dialogue Roundtable (Mesa de Dialogo and Concertacion Forestal). The platform has been inactive over the last few years, but is now in process of reorganization in order to contribute to the consultative process for developing the Forest and Fauna Law regulations. This new policy discussion space includes participation of key players from the forest sector in Madre de Dios, under the coordination of the Regional Government.

At the national level, we attended two important meetings with the Ministry of Environment. The first was with Minister Manuel Pulgar, USAID staff, and the management of the organizations responsible for ICAA II and Net Zero Deforestation Zones project implementation, where we analyzed opportunities for improved coordination between USAID partners and the Minister of Environment. The second was with the National Programme for Forest Conservation and Climate Change Mitigation, where we accepted an invitation to discuss opportunities related to capacity building. Next steps related these meetings will be outlined in subsequent meetings to identify more detailed collaboration and proposals from both sides.

ICAA Support Unit (ISU)

We participated in the April 2-3, and May 2-4 meetings in Peru organized by ISU to present reports and proposals related to Environmental Policies, Governance, Indigenous People, Economic Incentives, and also to validate the action plans for these topics. In the second meeting, where representatives from local partners participated, Martin Huaypuna, President of Asociacion Forestal Indigena de Madre de Dios (AFIMAD), shared information and experiences with representatives from other regions and countries.

To work toward improving coordination and avoiding duplication in the area of capacity building, we participated in two meetings facilitated by the ISU together with The Nature Conservancy (TNC), and in one case the USAID Ecuador PROMUNI project. The main

product produced from the meetings was a matrix outlining training activities to be carried out by each consortium. In regard to trainings specific to our productive activities, it was agreed that we would move forward independently, while collaboration for trainings related to areas such governance require more discussion.

We also participated in two meetings facilitated by the ISU to touch on communication strategies with the MAE. In the second meeting, we agreed the main MAE focal point, USAID's Heather Huppe, would submit a letter to MAE requesting a meeting for coordination and development of the following year's work plan. In addition, it was agreed that the ISU would approach MAE informally to identify improved forms of coordination.

During the period, we participated in seven separate trainings on ICAA indicators facilitated by the ISU where the definition of indicators were discussed as well as reporting requirements, and comments and recommendations were incorporated into the indicator definitions where appropriate and feasible.

Other ICAA partners

In Peru, we also participated in monthly meetings with ICAA partners to exchange information related to work plans, discuss important relationships with regional and national authorities, contribute to the Madre de Dios Regional Government road map, and the process of regulation of the Forestry Law. The participants agreed that consortia or projects with forest governance components should channel USAID assistance in these matters through the Forestry Roundtable (Mesa de Concertacion Forestal).

3 NEW AND EXISTING CHALLENGES

Several challenges were identified and reported during the second trimester of fiscal year 2012. This section addresses these challenges (noted in italics), in addition to a few new challenges encountered during the current reporting period.

Work Plan

Challenges

- *The political situation between the government of Ecuador and the United States has caused a delay in implementation in the Ecuador landscape due to the fact that the former has sent a mandate to the provincial MAE authorities to not get involved in the project until the existing issues have been resolved.*

Progress

- During the latter part of the reporting period, dialogue between USAID and MAE permitted progress toward overcoming this challenge in the short term. The mandate has now been lifted, but there is still significant uncertainty as to the final outcome of the negotiations between the two governments, and how it will or will not impact our activities in Ecuador. To address the challenge, we have continuously maintained personnel at the national and regional level informed of planned activities when possible, and in some cases worked with other governmental ministries to move specific activities forward such as National Secretary for Risk Management.

Personnel and office support structure

Challenges

- *The project Finance Officer, Maria Mercedes Proaño left RA.*

Progress

- During the period we proposed Jorge del Barco as Maria Mercedes' replacement and he was approved by USAID. He is based in Lima.

Sub agreements and contracts

Challenges

In January, we received notice that we would no longer be required to obtain approval from USAID for the sub grant and consultant agreement templates, and subsequently would be receiving a contract amendment to reflect this. Even though at the end of the previous reporting period we still had not received the amended contract allowing us to sign cooperative agreements with project partners, during the reporting period we continued refining implementation agreements will all partners to prepare for signing once the amendments are received. It is important to note that our inability to sign sub grant and

consultant agreements during the first six months of implementation has caused a delay in implementation and cash flow challenges for the partners.

Progress

- On April 24, 2012 we received the amended contract allowing us to sign cooperative agreements with project partners, in addition to consulting agreements. Subsequent to receiving the amended contract, we finalized the partner agreements with Ecolex and AIDER.

Duplication of activities with other consortia

Challenges

- After presentation of projects and work plans in Peru, some of the ICAA and other USAID partners identified some overlap in geographical intervention areas, and local partners (beneficiaries).

Progress

- In Madre de Dios, beginning in May 2012, we began a series of monthly meetings together with these other initiatives to identify ways to avoid duplication and overlaps. We initiated coordination meetings with the representatives from the University of Florida and the Proyecto Especial Madre de Dios, out of which we reached agreements to exclude similar land zoning activities in the influence area of National Tambopata Reserve from one of the two initiatives.

Social Conflicts in Quillabamba Zone

Challenges

- Beginning in April of this year, a few incidents incurred involving people linked to drug trafficking in areas near the Camisea project (Kiteni Community), in the vicinity of our intervention areas with cocoa and coffee producers in the Megantoni Sanctuary buffer zone. In response to this, the government installed military bases in the Kepasiato Community and Quellouno District. In spite of the subsequent relative calm, there are restrictions related to organizing meetings without permission from military authorities.

Progress

- One of the strategies we are utilizing to adapt to the situation is to maintain a low profile in our technical meetings, and minimize the communication of news or information related to our project with communications media.

4 INTERMEDIATE RESULTS AND ACCOMPLISHMENTS

4.1 Regional level

Activity Progress

Environmental Compliance: during the period we worked with USAID to develop a proposal for amending the existing Initial Environmental Evaluation (IEE), which was approved on June 1, 2012. The IEE reported a positive determination for forest management activities, requiring an environmental assessment (EA) to be carried out. During the period we hired a consultant to lead the EA and a biologist in each country, and carried out field visits and stakeholder consultations.

4.2 Sucumbíos Landscape, Ecuador

Activity Progress

Since almost all of the Intermediate Results in Ecuador during this period are applicable to all three of the relevant IRs, to simplify the report, we elected not to disaggregate them by individual IR.

- During the period, SL broadened the area of potential intervention in the CWR buffer zone based on conversations with the mayor of the Cuyabeno canton and other actors in the area, and pre-selected an additional 5 pre-associations based on the various selection criteria. The now 15 pre-associations will be included in the socio-economic and environmental diagnostic to be carried out in the following period, which will result in a final selection of 10 pre-associations to participate in the project, an updated socio-economic and environmental baseline, and recommendations for agriculture activities to be undertaken.
- In order for tourism operations and their indigenous community tourism activities to be implemented in an equitable fashion, we supported the establishment of an organization of tour operators operating within the CWR through the development of agreed upon statutes. The group is currently developing the documentation for formalizing their union.
- To work toward developing the sustainable tourism strategy for CWR, we facilitated several field visits with the United States Department of Interior, the MAE, and the National Secretary for Risk Management. Based on the visits, we are developing a series of activities related to the design of simplified specifications for environmental compliance by tourism operations within CWR, the development of a risk management plan for CWR, and a visitor management system.

- In recognition of our work to position CWR as a sustainable tourism destination, we were invited by the MAE to present the MAE initiatives we are supporting in a meeting aimed at improving coordination between MAE and local municipalities to strengthen tourism activities.

4.3 Madre de Dios/Cusco Landscape, Perú

Activity Progress

IR1: Selected Landscapes Managed Sustainably

- Regarding IR1, after several meetings and coordination with target communities, it was decided to include the Community of Sonene as an additional community for land zoning and technical assistance. Sonene is a geographical neighbor to Palma Real, is also located in the Tambopata National Reserve (TNR) buffer zone, has a low level of organization, and is already working with Rainforest Alliance in forest management activities.
- Socio-economic information was gathered for the communities of Sonene, Palma Real, Tres Islas and Infierno, and analyzed and redacted for the communities of Palma Real and Infierno. The terms of reference for hiring the technical team for the environmental evaluation in these communities were also written.
- In the Megantony Sanctuary buffer zone, 40 farms with a focus on cocoa and coffee production were identified as beneficiaries of the project; 5 – 8 of these farms will be prioritized for micro land use zoning at farm level after the macro zoning for the Cusco landscape has been developed.
- In order to complement and diversify the strategy of sustainable agriculture in the Megantony Sanctuary buffer zone, a consultant was hired to identify the potential for forest management activities. The occurrence of illegal logging has been perceived as a constraint for the conservation of biodiversity in this landscape.
- In the tourism component, an evaluation of tourism potential in the Middle Tambopata watershed and the communities of Inferno and Palma Real was carried out through meetings and field visits.
- The tourism plans in TNR, Middle Tambopata watershed and Sandoval Lake were analyzed in order to provide advice to the organizations responsible for their implementation with the aim to incorporate basic guidelines for sustainability.

IR2: Key Elements of Natural Resource Governance Functioning in Critical locations

- Information on natural resource governance in the communities of Palma Real, Tres Islas, Sonene and Infierno was gathered, and the main dialogue spaces in which leaders and authorities of these communities can develop and channel policy and strategy proposals related to natural resources sustainable use were identified.
- We supported and attended initial meetings for restarting the Forestry Roundtable (Mesa de Dialogo y Concertacion Forestal).

- With the aim to promote a proposal and strategy for sustainable agriculture in the Convencion Province (Cusco landscape), we participated in the Technical Round Table for cacao.
- In the tourism component in Peru, where Sustainable Landscapes aims to incorporate criteria and indicators of sustainability in the planning policies and regulations of varying local authorities, we identified a lack of coordination between different levels of authorities linked to this sector in Madre de Dios as a barrier to achieving this. A public private partnership called *Ente Gestor* has emerged in the tourism sector, and our strategy to work toward overcoming this barrier was to identify a key player in the tourism area with strong relationships with public and private sector to lead the planning process through the *Ente Gestor* and enhance this new partnership. This key player is the Tambopata National Reserve authorities. We will also participate in the recently created Technical Committee to provide advice to the leaders of the *Ente Gestor*.

IR3: Improved Sustainable Livelihoods and Ecosystem Resilience

- The project advised ASCART on the fulfillment of requirements and commitments in its commercial partnership with *Agricultoras y Forestales* enterprise for the process and sale of brazil nut.
- Two business plans were presented to Programme AGROIDEAS, an implementing arm of the Ministry of Agriculture, related to the improvement of brazil nut gathering systems in the RONAP and AFIMAD producer groups.
- More than 100 coffee and cacao farms were visited in the Megantoni buffer zone to evaluate productivity, and their environmental and social cultivation conditions.
- At least five cacao and coffee producers were selected to implement model farms in the Laco Yavero and Ivochote zones.
- Baseline information and templates to register basic productivity information were completed in order to evaluate and follow productivity variations in the Ivochote zone.
- Agreements were solidified with groups of coffee and cocoa farms in Laco Yavero and Ivochote zones for the process of certification based on the Rainforest Alliance Climate Module.
- Coffee cupping technical events in Quillabamba and Quellouno were carried out with the participation of representatives from Nature Best Coffee. This is a preparatory phase to be followed by the visit of specialty coffee buyers.
- Ten new tourism initiatives were identified in Low and Middle Tambopata watershed with interest in joining to the project's sustainable tourism program.
- Terms of reference for the elaboration of the Tambopata Tourism Marketing plan were completed, and an analysis of costs of the consultancy with local consultants was carried out.