INITIATIVE FOR CONSERVATION IN THE ANDEAN AMAZON

FY 2012 ANNUAL PERFORMANCE REPORT

Rainforest Alliance

1. PROJECT COVER SHEET

1.1. NAME OF THE PROJECT: ADVANCING LANDSCAPES IN THE ANDEAN AMAZON (ASLAA)

1.2. DATES (START/FINISH)

AGREEMENT/ CONTRACT
9/30/2011TO 9/29/2015

WORK PLAN PERIOD
1/1/2013TO 9/30/2014

1.3. PRIME PARTNER: ECOLEX- ECUADOR, AIDER - PERU

1.4. NAME OF PROGRAM MANAGER:MARK DONAHUE

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1.5. NAME OF AGREEMENT OFFICE REPRESENTATIVE OR CONTRACT OFFICE REPRESENTATIVE: MÓNICA SUQUILANDA

1.6. NAME OF ALTERNATE AOR OR COR: MÓNICA ROMO

1.7. MECHANISM NUMBER: AID-OAA-A-11-00055

1.8. OVERALL PROGRAM DESCRIPTION:

Rainforest Alliance and its partners, Asociaciónpara la Investigación y el Desarrollo Integral (AIDER) in Peru, and ECOLEX in Ecuador, have designed the Advancing Sustainable Landscapes in the Andean Amazon (SL) project with the goal of conserving biodiversity in two landscapes, Sucumbíos, Ecuador and Cusco/Madre de Dios, Peru.

In the Sucumbíos landscape we are working in the Cuyabeno Wildlife Reserve (CWR) and buffer zone. Within CWR, we are working in the Putumayo, Cuyabeno, and Shushufindi cantons, from the bridge over the Cuyabeno River east to the Siona communities of Tarabeia, San Victoriano, and Puerto Bolívar, for a total of 128,000 ha. In the buffer zone, we are working with the Secoya community of SiecoyaRemolino, and approximately 250 landowners representing about 12,500 ha.

In Madre de Dios, we are working in the province and district of Tambopata with the follow indigenous communities representing approximately 75,000 ha: Tres Islas, Palma Real, Infierno, Sonene, Puerto Arturo, and San Jacinto. In the upper and middle Tambopata, we are working with farmers in the Filadelfia area and various tourism operations, representing approximately 600 ha. In the Cusco section of the landscape, we are working in the La Convencion and Calca Provinces, and Quellouno and Echarate and Yanatile Districts, found within the Ivochote and Laco – Yavero watershed and covering 13,500 ha.

Our overall strategy is premised on addressing the principal threats to biodiversity and their drivers identified in the two landscapes that have the most significant impact and can be countered directly given the experience and expertise of RA and its partners in order to optimize impacts locally given the scope and level of project investments. The principal threats include habitat degradation and habitat loss due to wholesale deforestation or land-use conversion, while the drivers of these threats can be grouped into three areas: a) limited institutional capacity by local governments and communities for natural resource management; b) limited participation in and access to programs by local groups for resource management and sustainable production chains; and c) weak organizational capacity and market linkages of local producers and operators to grow local economic opportunities.

2. ACHIEVEMENTS OVERVIEW

2.1. ICAA INTERMEDIATE RESULTS

2.1.1. IR1 – Selected Landscapes Management Sustainability

The main achievements by SL in the first year of implementation were primarily related to honing the scope of and laying the foundation for addressing the principal threats of habitat degradation and habitat loss due to wholesale deforestation or land-use conversion through our interventions under the three USAID Activity Results (AR) for Area-Based programs, and attaining some early accomplishments under each AR.

Under AR1, sound landscape planning and use of sustainable NRM practices, we initiated land use zoning processes by collecting baseline information related to resource use, the socio-economic contexts, and environmental variables. In Peru, in Madre de Dios (MDD), we collected information in four native communities, Tres Islas, Infierno, Palma Real and Sonnene, which will result in the development of land use zones and plans, and the updating of their community development plans. In Infierno and Palma Real, we also collected information on potential tourism areas that will be used to develop tourism strategies in these communities.

To advance toward farm level land use planning in the buffer zone of the SantuarioNacional de Megantoni in the Cusco region, we collected information on farming practices in 47 cocoa farms and four coffee farms. Additionally, we carried out a diagnostic related to the forest resources in Cusco, which identified the possibility of working in forest enrichment in cocoa and coffee producer farms in conjunction with the Quellouno y Echarate municipal reforestation projects.

In Sucumbíos, Ecuador, we also began carrying out a socio-economic and environmental diagnostic in the Cuyabeno buffer zone, which will serve to identify stakeholders with the greatest potential and interest in forest conservation and sustainable natural resource use.

To work toward developing the sustainable tourism strategy for the Cuyabeno Wildlife Reserve (CWR), we facilitated several field visits with the United States Department of Interior, the Ministry of Environment (MAE), and the National Secretary for Risk Management (NSRM). A diagnostic study to identify actual tourism activities in the CWR was also carried out with FundaciónNatura and MAE. Based on these activities, we are developing a series of activities related to the design of simplified specifications for environmental compliance by tourism operations, the development of a risk management plan, and a visitor management system.

Under AR2, improved environmental governance, we attained the following achievements:

In the Ecuador landscape, we developed an environmental governance training program for municipal governments, representatives of indigenous peoples, and leaders of the mestizo populations in the CWR buffer zone. In the Peru landscape, information on natural resource governance in the communities of Palma Real, Tres Islas, Sonene and Infierno was gathered, and will be used to develop capacity building interventions.

To work toward addressing the security challenges in CWR, we facilitated meetings with 23 representatives including the ministry of environment and tourism, the NSRM, representatives of tour operators, and the US Department of Interior on security issues in the CWR. Results included the identification of actions to be implemented through multi-stakeholder agreements and piloted in CWR for posterior use in other protected areas in Ecuador. In line with this, we facilitated the development of a risk management manual for tourism operators in CWR in conjunction with the NSRM.

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.

Under AR3, improved sustainable livelihoods and ecosystem resilience, we attained the following achievements:

In MDD, we facilitated building commercial alliances between palm producers - Association de Palmicultores de San Juan and Candela Peru (Brazil Nut), and the Brazil Nut Association (ASCART) and the company Agricolas y Forestales SAC. We are also providing technical assistance to ASCART's 25 partners for access to organic certification. In addition, 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.

In Cusco, we began providing technical assistance in best management practices and productivity to 25 coffee and five cocoa farms in the LacoYavero and Ivochote watersheds, facilitated commercial agreements with US cocoa buyer, TCHO for purchasing cocoa over the next two years, as well as agreements with financial institutions Verde Ventures y Oikocredit to finance the rehabilitation of cocoa and coffee crops.

Some of the challenges faced include security issues, complex social and economic dynamics, and delicate government to government relationships. For the former, apart from taking precautionary measures to ensure the safety of our teams, where possible we will tried to shift our focus to safer areas (in the case of Cusco), while also exploring potential alternative geographic areas of intervention. In regard to complex dynamics inherent to working in areas where extractive industries are prevalent and limited social governance and collective natural resource use structures exist, we will need to maintain a long term perspective with the understanding that it will take time to build the capacity of project stakeholders to collectively manage their natural resources and to build their confidence in utilizing more sustainable resource options to fulfill their livelihood needs. For the latter, there is little we can do apart from identifying an alternative plan for shifting the resources to support our work in other ICAA countries.

2.1.2. IR2 - Key Elements of Natural Resources Governance Functioning in Critical Landscapes

Our main achievements under IR2 during the reporting period are related USAID's to line of action 2, promoting the application of mechanisms for territorial conflict management, and line of action 3, develop capacities of authorities and indigenous peoples in the comprehension and management of mechanisms for land regularization, environmental rights and indigenous rights. Achievements include:

In the Ecuador landscape, we facilitated a workshop organized by the Ministry of Environment (MAE) to support the resolution of a territorial conflict between the Siona community of Puerto Bolívar and Kichwa community of Playas de Cuyabeno. The workshop resulted in an agreement to apply the June 2008 resolution that defined the limits between the two communities.

In the Peru landscape, 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. With the aim to promote a proposal and strategy for sustainable forestry in Madre de Dios and sustainable agriculture in Cusco, we also supported and attended initial meetings for restarting the Forestry Roundtable, and participated in the Cocoa Technical Round Table.

In the tourism component in Peru, where we aim 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 EnteGestor 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 EnteGestor 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 EnteGestor.

2.1.3. IR3 – Increased Capacity to Utilize PES-like and other Economic Incentive Programs

Under IR3, during the reporting period, our main achievement was the development of a preliminary agreement with MAE in Ecuador to implement the new passive and active restoration program under Socio Bosque in the project intervention area. The new program will provide an additional economic incentive for sustainable forest management post timber harvesting by increasing income received by forest owners for applying passive restoration in their forests. This new mechanism for confronting deforestation and degradation of forest constitutes an adjustment to our strategy in Ecuador.

This progress along with the other planned activities related to Socio Bosque will directly contribute to the ICAA strategic framework by that will work toward achieving the IR3 goal of increasing the capacity of government and community members and leaders to plan and implement PES-like and other Economic Incentive Programs for conservation.

2.1.4. IR4 – Greater Understanding and Solutions for Key Environmental Issues

During FY 12 research and analysis priorities were aligned with the ICAA Action Plan and methodologies todemonstrate changes in livelihood and to evaluate changes in key livelihood parameter were discussed.

The socio-economic and environmental diagnostic in the Cuyabeno buffer zoneis part of the baselineto evaluate outcomes that relate to changes in land management practices and access to new markets as a result of the project intervention.

In coordination with the NZDZ project we started with the support of USGS and SilvaCarbon a deforestation analysis, which will be part of a spatial analysis.

Finally first discussions were be held to identify the feasibility of quantifying the projects contribution to biodiversity conservation in terms of reducing pressures on existing biodiversity areas, enrichment of such areas, and contribution of additional natural ecosystem areas that are safeguarded.

2.1.5. Support Unit Services

N/A

2.2. Cross-Cutting Themes and USAID Key Issues

2.2.1. Improve Policies and Policy Implementation

The SL work contributes mainly to the line of action 1: Develop, adoptand support the implementationof policies, laws, agreements andenvironmentalregulations.

In the Sucumbíoslandscapes we focused on supporting the responsible governmental institutions to develop and implement environmental regulations inside the protected areas;such asto regulate tourism activities.

In the Ecuador landscape, we facilitated a workshop organized by the Ministry of Environment (MAE) to support the resolution of a territorial conflict between the Siona community of Puerto Bolívar and Kichwa community of Playas de Cuyabeno. The workshop resulted in an agreement to apply the June 2008 resolution that defined the limits between the two communities.

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In Cusco, we began providing technical assistance in best management practices and productivity to 25 coffee and five cocoa farms in the LacoYavero and Ivochote watersheds, facilitated commercial agreements with US cocoa buyer, TCHO for purchasing cocoa over the next two years, as well as agreements with financial institutions Verde Ventures y Oikocredit to finance the rehabilitation of cocoa and coffee crops.

2.2.2. Increase Gender Awareness and Gender-related Program Outcomes

Of the results put forth by the ICAA Gender Action Plan, the SL consortium initiated activities in line with generating knowledge on gender relations in environmental management, both as a basis to define a strategy as well as to diffuse the results among the target groups.

In this way, diverse assessments and base-line studies, such as the socio-economic assessment and the governance situation analyses of the Madre de Dios communities, have been conducted. The information has been segregated by gender, highlighting where there are distinct actions on gender roles.

Some of the challenges in this component are related to certain traditions of communities that restrict women's participation in activities where decisions are made. This includes community meetings, or in leadership positions in grassroots organizations, where men are generally at the forefront. Another challenge is related to harmonizing the interventions and action strategies with other organizations in the same geographic area. This is again relevant to Madre de Dios, where various actions funded by USAID support the same beneficiary groups.

An action plan from the consortium on gender will be developed and implemented starting in FY13. The plan will be based on the guidelines set forth in the ICAA action plan with the assistance of a consulting firm specializing in guiding key actions in the Peru and Ecuador landscapes with the generated information, stakeholder groups with which we work, and coordination with other organization's strategies in the same area.

2.2.3. Strengthening of Selected Regional Organizations and Institutions

N/A

2.2.4. Improve Region-wide Capacity for Conservation Through Training

The capacity building through training was initiated during FY 12 focused on land use planning and natural resources management and training for private land owners and communities on sustainable natural resource management.

In the Ecuador landscape, the capacity building was mainly focused on issues of the Cuyabeno Wildlife Reserve, like lack of security and compliance of environmental regulations. We also developed an environmental governance training program for municipal governments, representatives of indigenous peoples, and leaders of the mestizo populations in the CWR buffer zone.

In the Peru landscape, the training included AFIMAD, ASCART, PALSAMAD and RONAP, providing those organizations with training in business management and organizational strengthening. Also information on natural resource governance in the communities of Palma Real, Tres Islas, Sonene and Infierno was gathered, and will be used to develop capacity building interventions.

2.2.5. Increase Indigenous Peoples' Participation

The strengthening of indigenous groups under SL is designed from the perspective of local capacity building and coordinated work to provide support for generating decisions from an internal development process of consolidated capacity. The goal of this component is to enable indigenous groups to have better and greater management of the area under their responsibility. Indigenous groups constitute a key group of actors within the SL landscapes, and maintain important biological areas within their territories. To improve indigenous rights and incidence, we worked in FY 12 to facilitate conflict resolution andstrengthen governance capacity to prepare the communities to participate in spaces for public discussion and tomanage natural resource areas.

In the Sucumbíos Landscape Ecolex facilitated the resolution of a territorial boundaryconflict between the communities of Puerto Bolívar (Siona) and Playas de Cuyabeno (Kichwa). This conflict prevents the communities from being able to sign the agreement with the environmental ministryand thus the right to use their ancestral territory. Until recently, the communities have not adhered to a 2008 agreement that they signed to establish the boundary limits. During the last months the parties have fine-tuned the agreement and the limits and will now respect it in the future. Similar problems have occurred in the Madre de Dios landscape, where the community limits of Tres Islas and San Jacinto overlap. The SL was asked to support the solution of this conflict.

The other focus of our work with the communities during FY 12 was to initiate the capacity building process. In Sucumbíos Landscape an applied training program for strengthening indigenous groups' ability to manage natural resources was designed anticipatorily and community representatives were selected by the Federation leadersto participate in the training. In Madre de Dios Landscape, indigenous groups have been strengthened by encouraging and promoting the participation of both genders in the communal meetings. During these meetings the groups discussed land use zoning, updating of life plans and project activities and agreed to the implementation process. Also work with AFIMAD, ASCART, PALSAMAD and RONAP was continued, providing those organizations with training in business management and organizational strengthening. This training directly correlates to the ability of the organizations to generate economic returns through their activities.

One of the main challenges that we face in strengthening indigenous groups is the complex dynamics working in areas where extractive industries are prevalent and limited social governance and collective natural-resource use structures exist. Also the multi-ethnicity (communities with members of different ethnics and non-indigenous people) complicates our work in the Madre de Dios Landscape. We aim to maintain a long-term perspective with the understanding that it will take time to build the capacity of project stakeholders to collectively manage their natural resources and to build their confidence in utilizing more sustainable resource options to fulfill their livelihood needs.

During this period we worked with the following indigenous groups in the Andean Amazon:

☐	Amahuaca	☐	
☐	Cashinahua	☐	Cacataibo
☐	Culina	☐	Yanesha
☐	Mastanahua	☒	Siona
☒	Piro	☐	Cofán
☐	Sharanahua	☒	Ese' ejja
☐	Asháninka	☐	Amarakaeri
☐	Yaminahua	☐	Arazaeri
☐	Harakmbut	☐	Huachipaeri
☐	Machiguenga	☐	Sapitieri
☐	Shipibo	☐	Toyoeri
☐	Isconahua	☐	Pukirieri
☐	Shuar	☐	Quechua, Aymara
☒	Kichwa	☐	
☒	Secoya	☒	Shipibo
		☒	Otros

2.2.6. Climate Change - Adaptation

Theclimatechange componentofICAAimplemented bySLis primarily related topromote the implementationof bestmanagement practicesby communitiesandfarmersto identify land management practices that reduce vulnerability of local communities and their livelihoods, enhance adaptive capacities, diversification of income to increase food securityand reducedeforestation rates.

In Ecuador primary baseline information was collected in the field to defineand identifyproductive activities, land management practices, sources of income,and social dynamics as first step to achieve the accomplishment of our climate change adaption strategy.

The first step in Peru was to train technicians in the RA climate module, understand the methodology, the criteria and get familiar with the implementation and know how to

combine with the agriculture component. The next one will be to analyze the climate change vulnerability of farms and the buffer zone of Megantoni Sanctuary and identify actions to overcome them. On group level initiatingefforts already existto increaseproductivityincoffee and cocoafarmsbased onthe trainingoffered by SL.

2.2.7. Climate Change (Sustainable Landscapes,REDD+)

3. NETWORKING AND SYNERGY

3.1. ANDEAN AMAZON LEVEL

In order to facilitate information sharing our activities within each landscapewere analyzed together with internal regional coordination to ensure that we are taking advantage of landscape level synergies in terms of similar activities and strategies.

3.2. NATIONAL LEVEL

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3.3. SUB-NATIONAL LEVEL

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3.4. LANDSCAPE LEVEL

To improve the definition of our interventions, geographic areas, actors and activities, we held innumerable meetings with relevant stakeholders including national and local governments, other ICAA consortia, potential beneficiaries, and other actors to present the objectives of the project, identify synergies, and raise the interest of potential project beneficiaries. Some examples of these meetings and their results are found below.

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 Sub secretary. 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 Sub secretary requested that Rainforest Alliance provide guidance in areas of forestry governance. During the reporting period, the project forestry manager provided technical assistance to the Sub secretary to define environmental regulations for forestry plantations, and technical regulations for forestry control at final destinations.

Peru

At the national level, we identified synergies with the Ministry of Environment and Ministry of Tourism and Foreign Commerce (MINCETUR). In terms of the former, through coordination with ICAA partners and the MINAM directives, we established collaboration through common areas of interest in their work plans. For example, we identified activities that coincide with priorities of the Biological Diversity and Land Use Planning and National Forest Conservation Program divisions, and subsequently held coordination meetings with their technical staff.

In MDD, we established coordination channels with the regional government through their natural resource management divisions, as well as the REDD and Forestry Dialogue Roundtables. In addition, we participated in the development of a matrix identifying the objectives and activities of USAID partners that support regional development initiatives. We also held meetings with the newly formed management entity of the tourism sector, where public and private organizations meet 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 Cusco, under the leadership of cocoa and coffee producers and the municipalities of Echarate and Quellouno, through our participation in the Cocoa Technical Roundtable, we have begun a process of developing ideas for the development of criteria for sustainable agricultura in Quillabamba. In addition, we have developed a strong collaboration with the municipalities of Echarate and Quellouno under our land use planning AR to share information and satellite images to develop land use plans at the regional and project level.

In terms of collaboration with the ICAA Support Unit, 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 AsociacionForestalIndigena 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 more than 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.

The expected challenges of this approach are principally related to the limited time and financial resources each actor has available for identifying and implementing collaborative activities, and sharing information or tools. Without resources dedicated to specific inter-landscape or stakeholder shared objectives, indicators or targets, each stakeholder's time is consumed by working toward meeting their own objectives and targets. Additionally, without having influence over other stakeholders' actions, it will be challenging to ensure that they fulfill their agreed upon commitments. To work toward addressing this issue, we will rely heavily on local and national government entities and USAID to help facilitate meetings and ensure commitments are carried out, while we also hope that the ICAA Support Unit will develop a vehicle for sharing information such as a knowledge management or communication system.

3.5. OTHERS

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4. IMPACT OF LEVERAGED RESOURCES

At this phase of the SL project we have identified, established and consolidated stronger relationships with various public and private stakeholders and identified some opportunities for leverage resources for the next period.

Some of these opportunities will come from the Government through Municipalities, the Ministry of Agriculture of Peru and the Ministry of Environment of Ecuador.

Private actors as local tour operators from Ecuador and Peru will also contribute to SL activities.

5. PERFORMANCE MANAGEMENT PLAN

The indicator targets weren't achieved for the ICAA wide indicators 7, 8, CAP 2, CAP 3 and POL 1 due to the late start of implementation, but SL has identified actions to expedite implementation, and be on track to achieve the FY 13 targets for these accumulative indicators.

During FY 12 intermediate results were achieved that allows us to increase the FY 13 target for indicator 1 and also adjust higher targets for indicator 4, CAP 2 and CAP 3 for the life of project.

6. SUCCESS STORIES

The Brazil nut producers association of the Tambopata reserve (ASCART in Spanish) is a producer's union that includes 38 concessions. In total, these groups impact around 33,000 ha. of forest within the protected area, and have been supported by the SL consortium since the first phase of ICAA. This producer group is authorized by the reserve leadership to harvest Brazil nuts according to the management plan prepared for the protected area.

Thanks to this support, which also contributes to other organizations in Madre de Dios, ASCART not only applies the management plan executed by SL and the reserve leadership, but also runs a Brazil nut processing plant for peeling and drying, better positioning it to enter markets.

During 2012, SL again collaborated with ASCART in Made de Dios through the new phase of ICAA, providing technical assistance in the preparation and implementation of its commercialization plan. In addition, the consortium helped ASCART obtain financing to expand and improve its peeling and drying plant, helping to develop a business plan to submit to the AGROIDEAS program of the Ministry of Agriculture.

The price of Brazil nuts during the past year and so far in 2012 has fluctuated, experiencing a downward trend in recent months, with the average price now at s/.9 kg. Thanks to the support received through the ICCA program and the benefit of having a peeling and drying plant, ASCART has succeeded in identifying and closing a contract to export directly to the company Candor Latam AGS in the US at the price of 12 s/kg, 33% more than the market price. This agreement is for a volume of 25 tons in 2013, which represents more than 80% of its annual sales. This is a great success since it is a new geographic market (U.S.) interested in the sustainability of the product and would be the first export experience in partnership with Candor Latam AGS.

7. ENVIRONMENTAL COMPLIANCE

In accordance with USAID Environmental Regulation 216, in June 2012 USAID/LAC BEO approved an Amended Initial Environmental Exam (IEE) for the project Advancing Sustainable Landscapes in the Andean Amazon (ASLAA).

The Amended IEE issued an Environmental Threshold Decision (ETD) with a Positive Determination for commercial forest management, management planning, value-chain strengthening and harvesting activities, as well as activities that strengthen and harvest non-timber forest product value chains, management, and harvesting. Commercial reforestation, recuperation of degraded areas via reforestation, natural regeneration or enrichment, silvopastoral management, and agroforestry were also positively determined. The IEE states that before implementing these activities, an Environmental Assessment needs to be carried out.

During the reporting period, we received approval of the EA scoping statement, and subsequently carried out field activities for the development of the EA. The draft EA, that will be submitted to USAID in October 2012 states that the Preferred Alternative mitigates most impacts generated by project activities through the application of internationally-recognized environmental design and management standards and best management practices such as those promoted by the Forest Stewardship Council, Rainforest Alliance Sustainable Agriculture Network, and organic and Fair Trade certifiers. For those impacts that it does not, mitigation measures are proposed.

In the period reported, activities of harvesting or trade of the forest products included as part of activities with positive determination in the IEE were suspended or halted in the areas of implementation in Peru and Ecuador. We ran into a challenge during the development of the EA due to the fact that our lead consultant became seriously ill while in

the field in Peru. We have now overcome the challenge and as mentioned above, we will submit the draft EA for USAID's review and subsequent approval in October.

8. SUMMARY

8.1. ACHIEVEMENTS

To help address security challenges in CWR, we facilitated meetings with key government and other stakeholders on security issues that resulted in the identification of multi-stakeholder actions to be piloted in CWR for posterior use in other protected areas in Ecuador.

Also in the Ecuador landscape, we facilitated a workshop organized by the Ministry of Environment (MAE) to support the resolution of a territorial conflict between the Siona community of Puerto Bolívar and Kichwa community of Playas de Cuyabeno. The workshop resulted in an agreement to apply the June 2008 resolution that defined the limits between the two communities.

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8.2. CHALLENGES AND ADJUSTMENTS

One of the biggest challenges faced were security issues in Cusco and Sucumbíos. For the former, apart from taking precautionary measures to ensure the safety of our teams, where possible we will tried to shift our focus to safer areas in the case of Cusco, focus on activities that can be carried out safely, while also exploring potential alternative geographic areas of intervention.

Another challenge faced in both landscapes is related to the lack of confidence by potential actors to participate in the project due principally to past negative experiences with development projects, and other employment opportunities from extractive industries and local governments. Our strategy for overcoming this challenge has been to ramp up socialization of the project and promote the economic incentives aspects of it.

The final challenge is related to the delicate government to government relationship in Ecuador. There is little we can do to address this apart from continuing to focus on collaboration with Ecuadorian government, and identifying an alternative plan for shifting the resources to support our work in other ICAA countries.

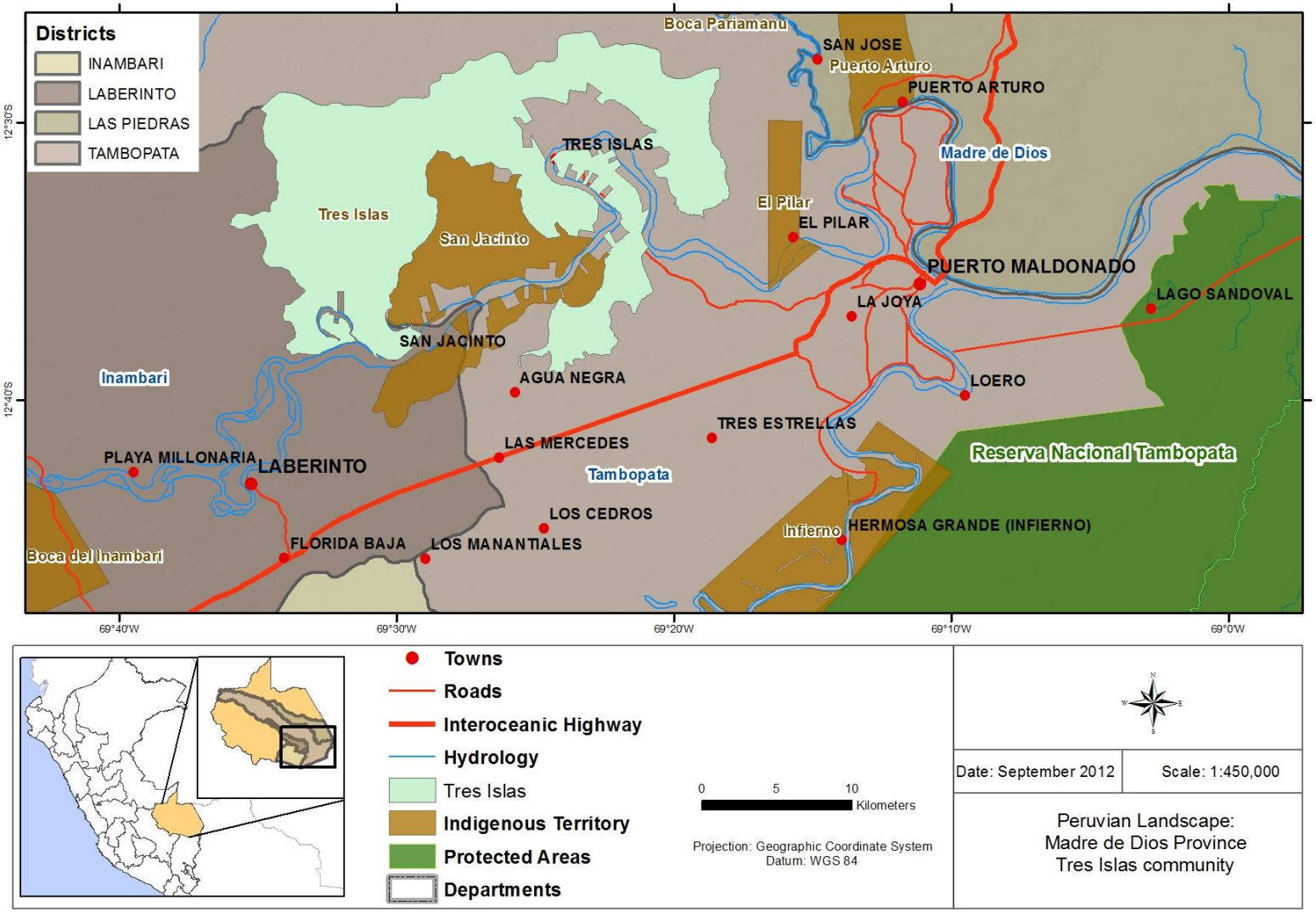
9. ANNEXES

9.1. ANNEX A – LIST OF ACRONYMS

AFIMAD	BrazilNutAssociation (Asociación Forestal Indígena Madre de Dios)
AIDER	Asociación para la Investigación y el Desarrollo Integral
ASLAA	Advancing Sustainable Landscape in the Andean Amazon
AR	ActivityResult
ASCART	Association of theTambopata reserve (Asociación de Castañeros de la Reserva Nacional Tambopata)
CWR	CuyabenoWildlife Reserve
Ecolex	Corporación de Gestión y Derecho Ambienta
EDT	Environmental Threshold Decision
FY	Fiscal Year
GHG	Greenhouse gases
GOREMAD	Regional Government of Madre de Dios
ICAA	Initiative for Conservation in the Andean Amazon
IR	Intermediate Result
ISU	ICAA Support Unit
MAE	EnvironmentalMinistry Ecuador (Ministerio de Ambiente)
MDD	Madre de Dios
MINAM	EnvironmentalMinistryPeru (Ministerio de Ambiente del Perú)
MINCETUR	Ministry of Environment and Ministry of Tourism and Foreign Commerce
MRV	Monitoring, Reporting and Verification
NGO	Non Governmental Organization
NRM	Natural Resource Management
NSRM	National Secretary for Risk Management
NZDZ	Net Zero DeforestationZones
PALSAMAD	

PROMUNI	Proyecto de Fortalecimiento Municipal
PES	PaymentforEnvironmentalServices
PNCB	National Program for the Forests Conservation, and the Climate Change Mitigation
RA	Rainforest Alliance
RONAP	Recolectores Orgánicos de la Nuez Amazónica del Perú
SCAN	Sustainable Commodity Assistance Network
SAN	Sustainable Agriculture Network
SERNANP	NationalServiceforProtected Natural AreasPeru (Servicio Nacional de Áreas Naturales Protegidas)
SL	Sustainable Landscapes
TNC	The Nature Conservancy
USGS	US Geological Survey

9.2. Annex B – Maps Indicators 1 and 2



9.3. ANNEX C – REVISED PMP

Partner Indicators	Unit	Disaggregation	Baseline measure	FY12		FY13		FY14		FY15 / Life of Project	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual
Shared Indicator 1* Number of hectares of biological significance and/or natural recourses under improved natural resource management as a result of USG assistance	# hectares	Sucumbíos Landscape total		2.500	0	128.000		136.750		140.500	
		Cusco/Madre de Dios Landscape total		23.553	31.423	52.674		70.794		91.511	
		Anual		**26.053**	**31.423**	**180.674**		**207.544**		**232.011**	
Shared Indicator 3* Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance	# individuals	Sucumbíos Landscape total		0	0	0		0		740	
		Cusco/Madre de Dios Landscape total		0	0	0		0		1.240	
		Acumulative		**0**	**0**	**0**		**0**		**1.980**	
		Anual		**0**	**0**	**0**		**0**		**1.980**	
Shared Indicator 4 Number of initiatives that promote the implementation of economic incentives increased	# initiatives	Sucumbíos Landscape total		0	0	5		20		41	
		Cusco/Madre de Dios Landscape total		0	0	0		0		5	
		Acumulative		**0**	**0**	**5**		**20**		**46**	
		Anual		**0**	**0**	**5**		**15**		**26**	
Shared Indicator 5 Number of hectares under economic incentives increased	# hectares	Sucumbíos Landscape total		0	0	125		500		2.000	
		Cusco/Madre de Dios Landscape total		0	0	0		0		45.771	
		Acumulative		**0**	**0**	**125**		**500**		**47.771**	
		Anual		**0**	**0**	**125**		**375**		**47.271**	

Partner Indicators	Unit	Disaggregation	Baseline measure	FY12		FY13		FY14		FY15 / Life of Project	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual
Shared Indicator 7* Number of products related to the Andean Amazon generated by the NZDZ partners increased	# products	Sucumbíos Landscape total		2	0	7		8		15	
		Cusco/Madre de Dios Landscape total		5	0	16		22		32	
		Acumulative		**7**	**0**	**23**		**30**		**47**	
		Anual		**7**	**0**	**14**		**7**		**16**	
Shared Indicator 8* Number of disseminated copies of product related with the Andean Amazon generated by the NZDZ partners increased	# copies	Sucumbíos Landscape total		700	0	2.000		2.000		6.000	I
		Cusco/Madre de Dios Landscape total		3.900	0	11.250		14.300		17.550	
		Acumulative		**4.600**	**0**	**13.250**		**16.300**		**23.550**	
		Anual		**4.600**	**0**	**8.650**		**3.050**		**7.250**	
Shared Indicator CAP 2 Number of person hours of training in natural resources management and/or biodiversity conservation supported by USG assistance	# hours	Sucumbíos Landscape total		2912	1609	13.696		18.976		24.096	
		Cusco/Madre de Dios Landscape total		10.614	1260	30.417		49.691		65.876	
		Acumulative		**13.526**	**2869**	**44.113**		**68.667**		**89.972**	
		Anual		**13.526**	**2869**	**30.588**		**24.554**		**21.305**	
Shared Indicator CAP 3 Number of people receiving USG supported training in natural resources management and/or biodiversity conservation	# individuals	Sucumbíos Landscape total		332	139	1240		1750		2240	
		Cusco/Madre de Dios Landscape total		1343	381	5.698		9.393		12.478	
		Acumulative		**1675**	**520**	**6.938**		**11.143**		**14.718**	
		Anual		**1675**	**520**	**5.263**		**4.205**		**3.575**	
Shared Indicator POL 1* Number of laws,	# laws, policies, strategies, plans,	Sucumbíos Landscape total		0	0	8		14		15	

Partner Indicators	Unit	Disaggregation	Baseline measure	FY12		FY13		FY14		FY15 / Life of Project	
				Target	Actual	Target	Actual	Target	Actual	Target	Actual
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	agreements or regulations proposed, adopted or implemented	Cusco/Madre de Dios Landscape total		2	0	2		6		9	
		Anual		**2**	**0**	**10**		**20**		**24**	
SL Indicator Number groups and organizations with improved organizational and enterprise capacity to manage natural resources	# groups	Sucumbíos Landscape total		2		8		10		12	
		Cusco/Madre de Dios Landscape total		2	1	6		12		17	
		Anual		**4**	**1**	**14**		**22**		**29**	
		Acumulative		**4**	**1**	**10**		**8**		**7**	

*Targets partially or completely shared with NZDZ

10. IMPLEMENTATION DETAILS

10.1. TABLE1. TARGETS AND ACHIEVEMENTS TABLE – ICAA-WIDE INDICATORS (EXCEL FILE).

10.2. TABLE 2.FUNDING LEVEL

Expenses October 2011 - September 2012			
	ECUADOR	PERU	TOTAL
Total Project Costs	491.968,15	791.452,48	1.283.420,63

The following tables are included in the attached excel file:

10.3. TABLE 3. TARGETS AND ACHIEVEMENTS TABLE – PARTNER INDICATORS

10.4. TABLE 4. ACTIVITY DESCRIPTION

10.5. TABLE 5. FUNDING SOURCES