ISN 81507

United States Agency for
International Development (AID)
Quito, Ecuador

Agencia de los Estados Unidos para
el Desarrollo Internacional (AID)
Quito, Ecuador

PD-ABF-545

DUPLICATE ORIGINAL

August 31, 1991

Mr. Robert Buschbacher
Director
Tropical Forestry Program
WORLD WILDLIFE FUND
1250 24th Street, N.W.
Washington, DC 20037

Subject: Grant 512-0784-G-00-1043-00

Dear Mr. Buschbacher:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the World Wildlife Fund, (hereinafter referred to as "WWF" or "Grantee") the sum of $828,000 in support of Grantee's efforts to conduct a program related to cooperation in reducing factors contributing to Global Climate Change in Brazil as more fully described in Attachment 1 of this grant entitled "Schedule" and Attachment 2, entitled "Program Description".

This grant is effective and obligation of $828,000 is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date of ending approximately on November 30, 1992.

Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

This grant is made to the WWF on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the" Schedule," Attachment 2, "Program Description," and Attachment 3, "Standard Provisions," which have been agreed to by your organization.

INTERNATIONAL MAIL ADDRESS: U. S. AID Mission to Ecuador – c/o American Embassy – Quito, Ecuador
U. S. MAIL ADDRESS: USAID Quito – APO Miami, Fl 34039
PHONE: 521 – 100

Please sign the original and each copy of this letter to acknowledge your receipt of the Grant. Keep one copy for WWF, and send one to Mr. Pielemeier in Brasilia. Return the original and all other copies to me in Quito, Ecuador.

Sincerely yours,

James J. Dunlap
Regional Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

WORLD WILDLIFE FUND

BY: _____

TYPED NAME: Lawrence J. Amon

TITLE: Vice President for Finance and Administration

DATE: 9/20/91

FISCAL DATA:

PIO/T No.:	512-0784-3-10009
Appropriation Nos.:	72-1111021
Budget Plan Code:	LDNA-91-25512-IG12
Reservation Ctl No.	R110019
This Obligation:	$828,000
Total Estimated Amount:	$2,867,700
Technical Office:	USAID/Brasilia

Funding Source AID/W ___X___ USAID _____

SCHEDULE

A. Purpose of Grant

The purpose of this grant is to provide support for Grantee's efforts to conduct a program related to Global Climate Change in Brazil, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is the signature date on the cover letter. The expiration date of this Grant is September 30, 1995.

2. Funds obligated hereunder are available for program expenditures for the estimated period as of the cover letter to approximately November 30, 1992 as shown in the Grant Budget below.

C. Amount of Grant and Payment

1. The total estimated amount of this grant for the period shown in B.1 above is $2,867,700.

2. A.I.D. hereby obligates the amount of $828,000 for program expenditures during the period set forth in B.2. above and as shown in the Grant Budget below.

3. Payment shall be made to the grantee in accordance with procedures set forth in Attachment 3 Standard Provision One, entitled "Payment - Letter of Credit." Some disbursements will be made in local currency. Local cost financing is therefore authorized.

4. Additional funds up to the total amount of the Grant shown in C.1 above may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Standard provision of the Grant, entitled, "Revision of Grant Budget."

D. Grant Budget

The following is the Grant Budget, including local cost financing items. Without the prior written approval of the Grant Officer, WWF shall not exceed the estimated dollar cost for any individual line item of cost shown below by more than 15% of such line item.

GRANT BUDGET
(US DOLLAR)

	EFF DATE TO 11-30-~~91~~ 92	TO BE OBLIGATED	TOTAL PROGRAM
A. STAFF TIME			
PROGRAM DIRECTORS	24,906	62,083	86,989
PROGRAM OFFICERS	48,121	119,952	168,073
PROGRAM ASSISTANTS	12,102	30,166	42,268
SECRETARIES	11,904	29,673	41,576
BENEFITS	35,902	89,493	125,395
SUBTOTAL	132,934	331,367	~~597,245~~ 464,301
B. GRANTS & SUBCONTRACTS			
ENVIRONMENTAL IMPACT ASSESSMENT	75,149	187,327	262,477
NATURAL RESOURCE ECONOMICS	93,937	234,159	328,096
INSTITUTIONAL STRENGTHENING	175,349	437,097	612,446
MANAGEMENT OF PROTECTED AREAS	150,299	374,655	524,954
SUBTOTAL	494,734	1,233,239	1,727,973
C. OTHER DIRECT COSTS			
INTERNATIONAL TRAVEL	39,453	98,347	137,800
COMMUNICATIONS	5,636	14,050	19,686
FIELD OFFICE COSTS	3,006	7,493	10,499
SUBTOTAL	48,096	119,890	~~216,081~~ 167,984
D. INDIRECT COSTS			
OVERHEAD	39,880	99,410	139,290
GENERAL & ADMINISTRATIVE	66,467	165,683	232,151
SUBTOTAL	106,347	265,094	~~477,788~~ 371,441
TOTAL	782,111	1,949,590	2,731,700
E. COORDINATION ACTIVITIES	45,889	90,111	136,000
GRAND TOTAL	828,000	2,039,701	2,867,700
WWF MATCH (75% OF TOTAL)	621,000	1,520,776	2,140,775

Revisions to this budget shall be made in accordance with Standard Provision of this grant, entitled, "Revision of Grant Budget."

2. The Grantee shall provide AID with a copy of each financial audit conducted of the Grantee. The audit report shall include a section detailing AID project receipts and related expenditures by project components.

3. At the beginning of each calendar year, WWF shall prepare and present to AID an annual budget to cover the estimated expenses during the year. This budget shall be based on the general budget herein approved.

4. Additionally, WWF shall prepare and submit to AID a quarterly budget for the expenses to be incurred during the report period. The amount and budget items shall be consistent with the yearly working budget.

5. Budget Summary

The WWF budget is $828,000 from the USAID Bureau of Latin America and the Caribbean for the initial fifteen months of the proposed program. WWF will raise approximately an additional $621,000 for the same period to be expended on related activities in Brazilian Amazonia that will lead to reduction of deforestation through policy reform, conservation and demonstration of alternative land uses. WWF/US will make a particular effort to raise funds from European WWF National Organizations and their national bilateral assistance agencies. This funding will be expended only at a rate proportional to the rate which matching funds are raised and expended (i.e., four dollars of USAID funds will be expended for every three dollars of matching funds spent).

E. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this grant entitled "Payment-Letter of Credit" as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523-3230. In addition, three copies of all financial reports shall be submitted to the AID Representative, Brasilia.

2. Program Performance Reporting

a. The Grantee shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period, including types of trainees placed consistent with the listed priority areas specified in the grant, number of participants in training, rate of implementation of all components and estimated expenditures under the program.

(2) Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform AID as soon asn the following types of conditions become known:

Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives or prevent the meeting of time schedules and goals. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

Favorable developments or events which enable required linkages to be established.

b. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this grant entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision.

c. Three copies of each program performance report shall be submitted to the office of the AID Representative, U.S. Embassy, Brasilia.

3. Special Reports

The Grantee shall provide special reports as requested by the AID Representative.

F. Indirect Cost Rates

Pursuant to the applicable Standard Provisions of this grant entitled "Negotiated Indirect Cost Rates - Provisional," a rate or rates shall be established for each of the Grantee's accounting periods which apply to this grant. Pending establishment of revised provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below.

Type	Overhead Rate	Base	Period
Final	77.87	A	from 07/01/89 until amended

(A) Salaries and Fringe Benefits

G. Special Provisions

1. For purposes of this Grant the Grant Officer is understood to be either the Regional Contracting (Grant) Officer, currently in Quito, Ecuador, or the AID Representative for Brasilia.

2. LANGUAGE TO BE INSERTED IN GRANT AGREEMENTS FOR WWF RE ENVIRONMENTAL DETERMINATIONS

Recently enacted legislation requires environmental determinations which must precede initiation of activities which may potentially involve cutting of timber. This legislative provision has application to a portion only of the activities to be covered under this grant. Accordingly, initiation of the affected activities must be deferred until the determinations specified are made with satisfactory results. In the event that any activity should fail to obtain the necessary determination, the funds designated for that activity would be re-programmed for application among the remaining activities by mutual agreement of the parties. The activities affected and determinations to be made are specified below:

Conditional Negative Determination: Activities under the Environment Impact Assessment, Natural Resources Economics, Institutional Strengthening, and exchange among E/GCC Grantees components of this grant qualify for a categorical exclusion, as do surveys, studies and training activities under the management of protected areas and buffer zones component.

Of potential environmental concern are some of the follow-on actions taken to implement findings and recommendations:

Of concern under the Jau National Park component is promoting the implementation of a Park/buffer zone management plan, expansion of ecotourism, promotion of handicrafts, and development of agroforestry and extractive activities in buffer zones.

Of concern under the Amapa Extractive Reserve component is the establishment of processing plants and the direct promotion of the use of forest resources.

Because the grant's purpose is promoting the sustainable use of natural resources, it is likely that negative effects will be insignificant and the overall effects positive. Nonetheless, this can not be evaluated until the studies and specific proposals for implementation are completed. Therefore, a negative determination has been made for this grant contingent on the following conditions being placed in the grant agreement. Before further environmental review funds will only be disbursed for those activities described above as qualifying for Categorical Exclusions and the surveys, studies, training and planning activities of the protected areas and buffer zone management component.

No funds will be disbursed for the implementation of the findings and recommendations for economically exploiting natural resources until the proposed actions have been through AID's Environmental Review Process, beginning with IEES per 22 CFR Part 216. Under no circumstances will funds be disbursed for the procurement or use of pesticides, for support of activities, projects or programs involving commercial timber harvesting in primary forest, or for collecting or using endangered species of flora or fauna in handcraft activities unless the appropriate environmental reviews have been approved by the LAC Chief Environmental Officer.

3. Local Cost Financing

a. Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this special provision. Local costs are defined as (i) indigenous goods, (ii) imported shelf items, and (iii) services provided by suppliers meeting the requirements contained in subparagraph b. Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations:

(1) All locally financed procurements must be covered by source/and nationality waivers as set forth in Chapter 5 of Handbook 1, Sup. B, with the following exceptions:

(a) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed the local currency equivalent of $100,000 (exclusive of transportation costs).

(b) Commodities of geographic code 935 origin if the value of the transaction does not exceed $5,000.

(c) Professional services contracts estimated not to exceed $250,000.

(d) Construction services contracts estimated not to exceed $5,000,000.

(e) The following commodities and services which are available only locally:

- Utilities including fuel for heating and cooking, waste disposal and trash collection;

- Communications --telephone, telex, fax, postal and courier services;

- Rental costs for housing and office space;

- Petroleum, oils and lubricants for operating vehicles and equipment;

- Newspapers, periodicals and books published in the cooperating country;

- Other commodities and services (and related expenses) that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(2) When local procurement of U.S. origin commodities is planned under a project, such a decision should be supported by an analysis of the prices of goods expected to be procured, and a determination that the prices are reasonable, taking into account comparable delivery terms and prices from the United States, and the implementation schedule of the project.

b. To qualify as local costs, goods and services must also meet the following additional requirements:

(1) They must be paid for in local currency.

(2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

c. Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:

(1) Military equipment,

(2) Surveillance equipment,

(3) Commodities and services for support of police or other law enforcement activities,

(4) Abortion equipment and services,

(5) Luxury goods and gambling equipment, or

(6) Weather modification equipment.

d. Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.

e. Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

(1) Agricultural commodities,

(2) Motor vehicles,

(3) Pharmaceuticals,

(4) Pesticides,

(5) Rubber compounding chemicals and plasticizers,

(6) Used equipment,

(7) U.S. Government-owned excess property, or

(8) Fertilizer.

f. If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement."

I. Close-Out Procedures

This section prescribes uniform closeout procedures for this Grant.

1. The following definitions shall apply for the purpose of this section:

a. Closeout: The closeout of a grant is the process by which AID determines that all applicable administrative actions and all required work of the grant have been completed by the Recipient and AID.

b. Date of Completion: The date of completion is the date on which all work under grant is completed or the date on the award document, or any supplement or amendment thereto, on which sponsorship ends.

c. Disallowed Costs: Disallowed costs are those charges to a Grant that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the Grant.

2. AID closeout procedures include the following requirements:

a. Upon request, AID shall make prompt payments to a Grantee for allowable reimbursable costs under the Grant being closed out.

b. The Grantee shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the Grantee for use in other Grants.

c. AID shall obtain form the Grantee within 90 calendar days after the expiration of the Grant all financial, performance and other reports required as a condition of the Grant. AID may grant extension when requested by the Grantee.

d. In the event a final audit has not been performed prior to the closeout of the Grant, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

STATEMENT OF WORK

BACKGROUND

The overall goal of the USAID Global Climate Change program is to reduce the net flux of greenhouse gases from terrestrial to atmospheric systems. In this statement of work, World Wildlife Fund & The Conservation Foundation (WWF) delineates a plan for continuation and extension of our activities in support of the Environment/Global Climate Change Program in Brazil, currently being performed under Grant 512-0784-G-00-0042-00, dated September 5, 1990. This statement of work involves support from the USAID Bureau of Latin America and the Caribbean in the amount of $661,943.49 in the first year and $2.868 million over a four-year period.

PROGRAM BASIS AND GOALS

Deforestation in Brazilian Amazonia is one of the main sources of greenhouse gases from Brazil. Most emissions come from burning biomass: the two most common land use systems in the region, pasture and subsistence agriculture, use periodic burning as their primary agricultural treatment. Logging is also associated with these land use systems. In most areas of the Amazon, land owners or tenants raise cash to invest on their farms or pastures by selling their standing trees to loggers.

These processes are further aggravated by conflicting government policies for the region. Brazil's environmental protection policy is strong on paper, but often difficult to apply on the ground. Complications arise from contradictory policies set by other government agencies. For example, government policies relating to colonization of Amazonia provide incentives for thousands of people to migrate to the region each day. These new populations are most likely to use slash-and-burn agriculture as their primary land use system. Land tenure policy also provides incentives for deforestation. To claim rights over land in the Amazon, one must prove that "improvement" and "investments" were made on the site. The simplest way to comply with this policy is to cut the forest, burn large areas, and start either a pasture or a farm. Conversely, rubber-tappers and other forest dwellers who have traditionally used the forest more sustainably do not have land rights because they can claim no "improvements" to their land. Finally, deforestation is further

increased by a policy that grants long-term subsidies to any agricultural or forestry project in the Amazon region.

World Wildlife Fund proposes to continue implementation of a comprehensive program of interrelated activities aimed at reducing Amazon deforestation. The two goals of our proposed program are:

1. To promote sustainable land management systems (timber management, integrated forest resources management, protected area management) that provide an economically viable alternative to pastures and slash-and-burn agriculture, maintain forest cover, and decrease pressure for continued forest clearing. Specific activities will include development of on-the-ground integrated demonstrations of social, economic, and environmental viability of these land uses. We will also work to disseminate resulting information to local communities and researchers.

2. To analyze current government policies for the Amazon region, supplying decision makers with the basic resources (e.g. training, information) needed to develop integrated policies that encourage sustainable land use in the region.

The proposed WWF program has six integrated components (see Figure 1, on the last page) targeted to address these two goals. Of the six components, four that target policy processes as well as demonstration activities in protected areas are proposed for funding by the USAID Bureau of Latin American and the Caribbean. Two other components, related to forest management and policy, are proposed for implementation by WWF through a buy-in to the Biodiversity Support Program from the USAID Bureau of Science and Technology.

PROGRAM COMPONENTS PROPOSED FOR USAID/LAC SUPPORT

Program Component 1: Increasing the Effectiveness of the Environmental Impact Assessment Process

In 1981, the Brazilian government established a policy that obligates any major economic enterprise, such as pastures, farms, logging, and industry, to have an approved environmental impact assessment (EIA) before the enterprise is established. Unfortunately, the government never presented follow-up regulations defining the scope and criteria of such EIAs and methods for their evaluation. Therefore, the legislation has been ineffective in controlling the establishment of projects that cause adverse environmental impacts.

WWF believes that the EIA process can be improved to become a powerful force against unnecessary deforestation in the region,

and proposes three activities to accomplish such improvement. These activities are mainly concentrated in the states of Acre and Para.

Activity 1.1--Establishment of EIA Criteria: Under the existing federal EIA policy, state environmental agencies evaluate the EIAs and are allowed to establish their own EIA criteria. The objective of this activity is to help the environmental agencies of the states of Acre and Pará to define criteria for EIAs related to forest use and deforestation. To increase EIA effectiveness, it is clear that one must define specific criteria for different economic activities. For example, EIA reports for pasture should include an assessment of the effects of fertilizers and pesticides used, while a logging activity should assess the effect of bulldozing trails in and out of the forest.

During the first year of program work, WWF supported a workshop organized by IMAC (the environmental agency of Acre) that defined EIA criteria for pasture establishment and forest management plans and became Acre's official EIA regulation.

WWF proposes to continue supporting one workshop annually for the next three years for other forest-related activities in Acre and Para. WWF also intends to involve officers from environmental agencies of other Amazonian states to promote the transference of this process to their states.

During the fourth year, WWF intends to complete this process by promoting a regional workshop to integrate state-level EIA criteria with a regional perspective. The results of this workshop will be submitted to CONAMA (the National Environmental Council), which determines federal environmental regulations.

Activity 1.2--Training: One of the problems with the EIA process in the Amazonian states is the lack of resources and local technical capacity to prepare or evaluate EIA reports. Those reports are prepared by technicians with no specific training on this issue and evaluated by equally poorly trained state officials. The objective of this activity is to provide training to those technicians, especially state officials. WWF believes that new EIA criteria (Activity 1) will be effective only if the state agencies become capable of better analyzing the EIA reports produced.

WWF intends to provide short-term training courses on evaluating EIA reports according to the new criteria. Training NGOs and experienced officials from state agencies of southern Brazil will provide the basic training. We are also contacting the U.S. Environmental Protection Agency about the possibility of providing some training on specific issues, such as the use of pesticides and fertilizers.

WWF also intends to provide some funding to support the EIA evaluation division of the state agencies. Often, these divisions are not well structured and do not have the means to check the EIA reports in the field, or to obtain independent evaluations from experts. Funds would be used to purchase such items as equipment, publications, meetings and maps, but would not fund recurrent costs such as gasoline, per diems or salaries.

Activity 1.3--Increase Local Participation: Political circumstances in the Amazon are often extremely unstable, with each new government trying to redefine every activity developed by the past government. This process is now occurring in Acre. The new government (inaugurated on March 15, 1991) is not supportive of the EIA regulations approved by the previous government, and may develop a new set of criteria for the same issues--pasture and forestry. Considering the political background of the new government, the new criteria will almost certainly be significantly weaker than those established by the past government.

WWF believes that constant changes in policies can be decreased substantially by increasing local participation and monitoring of government actions. The objective of this activity is to empower local NGOs in the states of Acre and Pará to more effectively interact with the government in the application of EIA policies and regulations.

WWF will provide training to one or two NGOs in Acre and in Pará, selected principally from among those being supported in Component 3 (Institutional Strengthening) and NGOs which are members of the CONAMA (the National Environmental Council).

WWF will provide two types of training:

- An eight-week graduate level course on environmental law, to be provided by the University of Amazonas. This course aims to give NGO officers an in-depth legal background for the current Brazilian environmental legislation.

- A short (one to two weeks) training course addressing the practical issues associated with starting legal actions. Amazonian NGOs do not have strong legal departments and usually are not aware of how to proceed to defend their rights or to legally question government activities. WWF will design this course along with experienced Brazilian NGOs. The course will teach the practical aspects of the legal bureaucracy, complementing the first course that provides the theoretical background. Both courses will focus especially on issues related to forest use and deforestation.

Program Component 2: Natural Resource Economics

Our aim in this program component is to incorporate environmental considerations in economic analysis and decision-making related to natural resource use in the Amazon, within the priorities of the Global Climate Change program. We will work to build the local capacity of researchers and federal and state officials in this area, and to enhance linkages among them and policymakers. In order to influence policy more directly, we are coordinating our activities with the government agencies directly responsible for environmental and economic policies.

In Brazil, all cabinet departments (ministerios) and some other federal government institutions now have one person or group responsible for coordinating the policies and actions of that department with the national environment policy. A group of 35 people, one from each department or institute, meets regularly to define common strategies and to be informed of any policy change. The meetings of this group, called CIPMA, are coordinated by SEMAM (the environment ministry) or IBAMA (the Brazilian Environment Institute).

SEMAM is also actively working to produce comprehensive policy documents for the Brazilian government within the next few years. Some of those documents will be used as the national guidelines to be presented at the 1992 United Nations Conference on Environment and Development. All documents must be completed within the term of the current government to provide a comprehensive new policy.

Based on extensive discussion with officers from SEMAM and IPEA (Applied Economics Institute--Economy Ministry), we have identified the following needs and opportunities to support and complement these activities. During the ongoing first year of this program, we are developing two activities:

Activity 2.1--Introductory Course on Applied Ecology and Natural Resource Economics: The first activity will be a one-week course designed and implemented to give a common background to the CIPMA members responsible for coordinating the policies and actions of the departments and institutes of the federal government. The course will focus on improving individual technical skills and the interaction among members of the group.

The tentative date for the course is the last week of July, 1991. The course will be structured to include five days of intensive training, with morning lectures, afternoon exercises, and a presentation and discussion of results in the evening.

Activity 2.2--Issue-oriented Workshops to Establish National Policies on Natural Resource Economics: World Wildlife Fund believes that a well-organized discussion of specific topics in a series of workshops would be more productive than a single larger, broader, and consequently more superficial event. The first two workshop topics, selected through consultation with SEMAM and IPEA, include: national income accounting and natural resources; and valuation of non-market goods and services from natural ecosystems. The participants in these workshops will be selected from the CIPMA members, government officials in a position to incorporate this information into new policies, and, especially, experts on those topics. We expect to hold these workshops in IPEA's headquarters or in the Brazilian congress, as suggested by congressman Fabio Feldman.

We envision one workshop for each topic. We would contract two background papers for each topic: (1) A general overview paper discussing the background, the current status in Brazil, and recommending any relevant policy changes. (2) A case study paper about the topic. An example would be a position paper on national income accounting, with a case study on how these principles could be applied to the mahogany trade or to a specific region within Acre.

Whenever possible, both papers would be prepared jointly by Brazilian and foreign experts. To allow participants to critically review the papers and suggest policies in their sectors based on recommendations in the papers, the papers would be distributed to the participants one month before the workshop.

Each workshop would be organized as follows:

Day One: Presentation of the position paper.

Discussion of the paper.

Positions of participants on the topic as related to their sector.

Working groups sessions to discuss sectorial positions and possible policy recommendations.

Day Two: Presentation of case study.

Positions of participants.

Working groups sessions to discuss sectorial positions and possible policy recommendations.

Day Three: Working groups in the morning to consolidate all sectorial positions and produce draft policy guidelines.

Afternoon plenary sessions to discuss final draft.

The writers of the papers will have one month to prepare a final document based on the results of each workshop.

Both activities, the course and workshops, are being organized in collaboration with IPEA. IPEA is responsible for the preparation of the environmental polices which relate to economic issues. Therefore, the results from the workshops should be easily incorporated into the national policy documents to be presented by the Brazilian government at the 1992 United Nations Conference on Environment and Development, and the approach used in the course would be considered the official government approach.

Activities for Years 2 through 5--Continuation and Extension: The Natural Resource Economics program component will be continued and enhanced through a series of four activities in Years 2 through 5. These include:

Activity 2.3: Introduction to Applied Ecology and Natural Resource Economics: In 1992, WWF will provide the same course described in activity 2.1 for this year, to the state-level decisionmakers of the Amazon region. The objective is to assist state-level officials and local researchers to incorporate natural resource economics in their everyday activities in the Amazon region.

Activity 2.4: Issue-oriented Workshops: WWF intends to develop two additional workshops annually in the next three years. The objectives, structure, and mode of action will be the same as previously described (activity 2.2). These workshops will be problem solving exercises which produce documents on relevant issues in natural resource economics related to forest use and deforestation, develop and discuss alternative approaches, and seek to incorporate them in the national policy.

The topics to be addressed in these workshops will be defined in collaboration with SEMAM and IPEA. The criteria for topic selection will include the priorities stated by SEMAM and IPEA, the timeliness of the issues relative to ongoing policy discussions, and the relationship of the subject to the overall GCCP mission of reducing Amazon deforestation. The issues to be addressed will be both new issues and follow-up topics building upon earlier workshops. For example, charcoal production for energy is a potential new topic, while a follow-up topic to the

workshop on valuation of non-market goods and services could be the indirect economic benefits of forest protection.

Activity 2.5: Training: We intend to build local capacity for natural resource economics issues by providing training opportunities to Brazilian researchers and government officials. We have recently completed a database of American individuals and institutions that could provide technical assistance and training. We are also preparing a database of Brazilian institutions and individuals working or interested in working on natural resource economics issues. We will use both databases to select participants for each of the workshops mentioned above, and for follow-up training activities.

WWF is proposing four types of formal training activities:

- Bringing in a foreign expert for a short-term intensive course about specific topics on natural resource economics related to the Global Climate Change program.
- Sending Brazilians to the United States for short-term training in key institutions.
- Sending Brazilians to do graduate studies in the United States with field work in Brazil.
- Sending leading Brazilian officials and researchers to the United States for six-month to one-year post-doctoral studies. Post-doctoral students may be macroeconomists who would study with natural resource economists, or natural resource experts who would deepen their economic background.

Beneficiaries of these training programs will form a unique group of experts in the emerging discipline of natural resource economics. WWF will also support follow-up activities for the trainees. WWF intends to assist them in applying what they have learned through grants for analytical studies and to give seminars to other economists and to decision makers; we will also support continued exchanges among the group. Finally, it is likely that some of the trainees will develop a partnership with the American institutions with whom they interact through the program. This would help to build institutional linkages in additional to personal ones.

WWF intends to work closely with the USAID team in Brazil on these training activities. Through the proposed grant, WWF would provide the funding for the foreign experts to work in Brazil and travel expenses for Brazilians to the United States. USAID would provide the scholarships and/or cost of living expenses for the Brazilians in the United States.

These training activities would also complement the ongoing training programs of the State University of New York and Partners of the Americas, with whom we would coordinate. For example, we have worked closely with Partners of the Americas to identify appropriate participants and design the itinerary for an upcoming study tour to the U.S. on natural resources economics.

Activity 2.6: International Workshop: In 1994, WWF intends to organize an international workshop with the participation of all the foreign experts and Brazilian researchers and officers involved in this component of our program. We will also invite key decisionmakers, such as Congressmen and high-ranking federal government officers, to participate and learn about the potential use and relevance of natural resource economics in their everyday activities.

Conclusion: This proposed working plan will achieve the following objectives: Starting an in-depth discussion in the government about natural resource economics; training the implementors of environmental policies in Brazil; contributing, with different policy recommendation papers, to the ongoing Brazilian effort to redesign their environmental and natural resource economics policies; and training key people in academia and executive positions who have potential to develop research and policies in this emerging discipline within Brazil.

Program Component 3: Institutional Strengthening

The history of conservation in Latin America has shown that in-country organizations and agencies are critical to the success and sustainability of conservation efforts. The overall goal of this program component is to support and strengthen the Amazonian conservation movement, to develop a diverse and competent set of local organizations. Enhancement of local environmental organizations will strengthen their capacity both to affect national environmental policies and to develop sustainable natural resource use alternatives.

WWF's Organizational Development Program (ODP) has developed an integrated approach to building institutional capability in developing country conservation groups. As these organizations grow increasingly more self-reliant, they are better equipped to network with other local groups and to provide local expertise. This multiplier effect will ultimately reduce the need for assistance from the north and foster more in-country cooperation.

Based on WWF's experience working with local NGOs, ODP has designed a Program to target four organizational areas: management, operations, communications, and financial management. Information gained through a series of assessments conducted with

Amazonian NGOs by WWF's ODP and Brazil Team staff is the basis for deciding which activities are most appropriate. Together, ODP and the Brazil Team prioritize their activities with NGOs, considering each group's: 1) synergy with WWF and Global Climate Change Program priorities; 2) immediacy of perceived needs; 3) conservation activities and achievements; and 4) role within the Amazon and Brazil NGO community. Once this assessment information is gained, ODP may conduct a two-day diagnostic with each organization if it is beneficial to the NGO. Using the results of the diagnostic, ODP and the organization jointly prepare a strategic plan for the organization's development. ODP facilitates the process and provides expertise and tools to enhance capability.

Where mutually agreed upon goals are determined, ODP assists an organization in one of three ways. First, training activities may be offered to an organization's personnel to impart new management and operational skills. Second, technical assistance may be provided to help an organization increase its productivity and operate strategically. Finally, organizational development grants may be provided to strengthen a group's infrastructure, its personnel, or its operational efficiency.

Activity 3.1--NGO Strengthening: ODP training workshops provide skills and expertise to an organization's management and staff, contain an individual empowerment component, and, by bringing many NGOs with common objectives and problems together, serve as a forum for networking. In addition to the workshops themselves, ODP is in the process of publishing self-help workbooks in Portuguese on each topic. ODP has designed and currently offers the following training workshops:

- Proposal Design. In this workshop, participants learn to design proposals within the context of their organizations' overall strategies, and are encouraged to share with colleagues and peers what they have learned.

- Financial Management. Designed to assist organizations to attain long-range financial sustainability, this workshop includes information on designing a fundraising strategy, calculating indirect cost rates, preparing project budgets, and informing other groups about the organization and its programs.

- Human Resource Development. This workshop imparts basic principles and techniques for managing and developing both professional and volunteer staff.

Each of these five-day workshops can train up to 18 participants from different NGOs. During the next four years, WWF foresees offering one organizational development workshop per year in the Amazon. WWF will seek to reach a broad cross-section

of Amazonian (or Amazon-focused) environmental organizations with these workshops.

WWF will also offer Strategic Management Workshops to, individual NGOs throughout the region when that NGO prioritizes the need for this one-on-one training. This workshop is designed to facilitate a process whereby participants analyze their organization's mission and create a strategy to carry it out; the workshop process also brings about greater organizational harmony and strengthens organizational decision-making. ODP holds Strategic Planning Workshops with those organizations that request assistance and have experienced significant challenges in their conservation activities resulting from lack of direction, structural problems, or programmatic difficulties. A Strategic Planning Workshop is a labor-intensive activity, which is essential for NGOs to further their capability to manage their activities. Each NGO requires a different level of follow-up from ODP which is dependent upon the degree of difficulty associated with the issues and problems they are facing. ODP's role is to facilitate this strategic process until the NGO becomes self-reliant.

As part of our USAID GCC funding, WWF has already held a Strategic Management Workshop with the Fundacão Vitoria Amazonica this year. WWF foresees offering at least three of these workshops annually during the next three years for a total of nine Amazonian NGOs. Follow-up visits will be made for at least one year to each NGO that has undergone a Strategic Planning Workshop. In the final year of the program, we do not plan to provide new workshops, but will concentrate on these follow-up activities.

WWF is also planning a "train the trainers" workshop to increase the impact of its work through intermediary conservation organizations in-country. In addition, a workshop on participative leadership is also being planned as a complement to current ODP management training offerings and technical assistance. Inter-organizational exchanges will also be fostered so that Brazilian environmental groups can learn from each others' organizational development experiences.

ODP staff will also provide technical assistance on specific organizational needs with key Brazilian environmental organizations, particularly groups that have the potential to assist other less sophisticated organizations. ODP staff work directly with an organization's leaders and managers, staff, and volunteers to transfer technical expertise to integrate organizational needs with anticipated project growth. This assistance can take various forms, such as specialized on-site consulting or telephone communication. Requests for specific written material on organizational development will be provided from our information database. In some cases, ODP can assist i.

covering the costs of local organizational development consultants to key partners NGOs.

WWF will also provide ongoing support through its organizational development grants. Two types of grants--complementary grants and seed grants--are provided. Complementary grants support activities that enable organizations to increase their effectiveness and capability. Activities may include strategic planning, fundraising campaigns, office support, and specific training opportunities for organizational development. These grants are made available on a three-year basis to complement an organization's own resources. The second type, seed grants, are typically made on a one-year basis and are designed to support community-based organizations that have emerged to address specific environmental problems. Grants are directed toward a wide range of activities, such as broadening an organization's community support base, purchasing office equipment, expanding fundraising efforts, and strengthening basic institutional capabilities. WWF's organizational database will monitor all ODP activities and each group's changes, and will help to determine follow-up activities.

These training activities will build on previous WWF workshop experiences by incorporating into training materials information obtained from earlier workshop evaluations. To ensure that the workshops are meeting the organizations' management needs, ODP will continue to assess organizational training needs in the field. Because Brazilian conservation organizations are continually evolving, ODP will update and modify its training materials accordingly. Similarly, new workshop materials well be developed to meet the needs of more sophisticated environmental organizations. Publications will also be produced to disseminate information that has been acquired in the process of assisting Brazilian organizations to develop. Several case studies of concrete organizational development experiences will be written as a basis for transmitting these lessons learned.

The following is a partial list of NGOs with which ODP may work on institutional strengthening over the next three years. This list is subject to change as the Amazonian NGO community changes and evolves.

1. Fundação Vitoria Amazônia (FVA)

2. Conselho Nacional dos Seriguieros (CNS)

3. S.O.S. Amazônia

4. Rede Brasileira Agroflorestal (REBRAF)
   (Technical Service Provider/Consulting)

5. Centro da Educação, Pesquisa, e Assessoria Sindical e Popular (CEPASP)

6. Sindicato Rural dos Trabalhadores Rurais de Paragominas

7. Instituto do Homem e Meio Ambiente da Amazonia (IMAZON)

8. Instituto dos Estudos Amazonais (IEA)
   (Technical Service Provider/Consulting)

9. Grupo de Pesquisa e Extenção em Sistemas Agroflorestais do Acre (PESACRE)

In summary, the flexibility built into our approach allows WWF to provide assistance to a range of groups at differing stages of development. The integrated approach of WWF's ODP will transfer critical organizational management skills to Amazonian conservation organizations. Driven by needs identified by the organizations themselves, WWF works step by step with the groups to enable them to achieve their goals.

Activity 3.2--SEMAM/IBAMA Strengthening: The conservation community is composed of several different players. Just as local NGOs are critical to the success and sustainability of conservation, so too are governmental agencies. Through enhancement of a government unit's capability in management, operations, and communications, we can increase the effectiveness and impact of that institution's activities.

SEMAM and its executive agency, IBAMA, are responsible for developing and implementing all forest conservation, use, and management policies at the federal level. IBAMA is also responsible for the management of all federal conservation units such as national parks and extractive reserves. These agencies are also supposed to provide considerable support to state-level environmental agencies. With increasing international interest in funding Amazon conservation, these institutions may in the future be more limited by their management and absorptive capacity than by funding availability

ODP's future work with SEMAM/IBAMA focuses on strategic planning and policy reflecting the evolution of these agencies' functions and priorities, focusing upon strategic planning and policy. WWF's work with SEMAM/IBAMA, similar to NGOs, will involve three components: training, technical assistance, and grants.

ODP has held initial discussions with SEMAM and IBAMA to develop a joint understanding of their organizational needs and required actions for the short-term. In these preliminary discussions, IBAMA identified as its organizational priority the

need to develop project planning abilities for several of its staff. As a result, ODP will offer the Proposal Design Workshop to IBAMA officers this year. This Workshop provides a framework for developing projects and designing proposals in accordance with the institution's mission and strategy, and empowers participants to share their learning with their colleagues. The Proposal Design Workshop should increase IBAMA's capacity to capture and manage international funding for its forest management activities.

SEMAM has identified the need to have a Strategic Planning Workshop for its staff. This Workshop facilitates a process whereby participants analyze their agency's mission and create a strategy to carry it out. Also, the Workshop brings about greater institutional harmony and strengthens institutional decision-making.

To supplement last August's diagnostic with IBAMA, ODP intends to further assess the needs of SEMAM/IBAMA with diagnoses to determine the activities that best suit their priorities. When the diagnoses are completed, SEMAM and IBAMA, together with ODP, will outline a long-term strategy for the agency, providing technical assistance, training, and grants. WWF's regular communication with SEMAM/IBAMA will help detect evolving challenges or needs.

ODP will provide technical assistance on specific institutional needs and policy. ODP staff and short-term consultants will work directly with the agencies' managers and staff to transfer technical expertise to integrate institutional needs with policy.

ODP plans to conduct one training workshop with SEMAM/IBAMA each year. These workshops empower individuals and provide skills and expertise to managers and staff. Each workshop will have self-help tools and/or a manual to facilitate the continuous learning process. ODP also plans to award small grants to SEMAM/IBAMA to assist management and staff with policy and planning as needed. Such grants may be particularly helpful for policy conferences and associated travel.

ODP's flexible approach provides assistance to clarify the organization's priorities and to respond to the needs identified. The enhancement of SEMAM/IBAMA's capabilities through grants, technical assistance, and training will allow those institutions to become more able and effective in implementing conservation policy. This goal is particularly important in light of the increased potential for international funding in support of Amazon forest conservation.

Program Component 4: Management of Protected Areas and Their Buffer Zones in the Amazon

Activity 4.1--Management of National Parks and their Buffer Zones: Approximately 10 percent of the Amazon region is formally protected under some kind of conservation unit, such as National Parks and Ecological Stations. Most of these areas, however, are "paper parks" never actually established on the ground. Moreover, people who live in the buffer zones of most protected areas do not participate in or benefit from park activities, and thus have no incentive to protect the forest. In some cases, these areas are occupied by indigenous communities that could be disrupted by sudden removal from their traditional lands. When these communities, which were well adapted to their local environments, become squatters in other areas of the Amazon, the inevitable result is increased deforestation in their new location.

During the first year of funding from the USAID/GCC initiative, WWF is supporting the Fundacão Vitoria Amazonica (FVA) in an innovative program that seeks to bring environmental education, ecotourism, and the development of sustainable economic alternatives to rural residents in the buffer zone of the Jau National Park (JNP). At 2,272,000 hectares, JNP is Brazil's largest protected area and includes the entire watershed of the Jau River, with both upland and seasonally inundated forest vegetation. Approximately 150 families reside in JNP, many having entered since the park's creation over 10 years ago. These squatters, along with residents of the nearby city of Novo Airão, continue to extract natural resources (including timber for boats) from the park.

WWF support of this project is part of a general strategy to support Brazilian institutions (conservation NGOs and IBAMA) to develop a methodology for conserving representative samples of standing forests in and around Federal Conservation Units; addressing the needs of local human populations is seen as both a necessary prerequisite to, and a tool for, conservation of these forest areas.

To be successful, efforts to deal with human populations must be both equitable and linked to sound models of sustainable resource use and management. The alternatives to deforestation proposed should not be determined a priori but rather should be based on a thorough analysis of present resource use (and its local impact). Alternative forms of income generation and sustainable management will be based on the opportunities that exist in each particular case. These may include a mix of ecotourism, handicraft sales, agroforestry, improved markets for extractive products, and alternative forms of employment.

This project will monitor how the local community uses resources, and will work with the community to find alternative forms of income generation that will provide the community with an incentive to protect the forest. These efforts will be combined with environmental education to help build broad public support for wise natural resource use.

The Fundacão Vitoria Amazonica is working with IBAMA to develop a park protection plan that takes into account the human populations in and around the park. The first step in creating an effective protection strategy for this extensive area of Amazonian forest involved an in-depth socioeconomic survey of current park residents and their resource use. With funding from the USAID/GCC program and logistical cooperation from the Superintendency of Health Campaigns (SUCAM), FVA surveyed the local population of the park, determining their productive activities, resource use, and interaction with other areas in and around the park.

This survey provided valuable information on which to base a sound and equitable forest management plan for the park and its residents. For example, we learned that many residents were willing to leave the park area or alter their current habits if alternatives sources of income were available. In January 1991, a follow-up visit to the park was made that included experts on extractive activities from the National Institute for Amazon Research (INPA).

In the next four years, WWF will support the following activities related to the Jau National Park initiative:

- Management Plan. Complete the socioeconomic and resource use surveys of the JNP, and present a management plan to IBAMA for discussion. In this activity, FVA will function as a catalyst to provide IBAMA with technical expertise in planning and development of a park management strategy that incorporates local populations into park protection.

- Following presentation of the management plan to IBAMA, FVA and IBAMA will develop a schedule of activities directly involving IBAMA staff in making Jau Park a true model for other parks in Amazonia. For example, FVA staff and collaborators such as Anthony Rylands and other INPA scientists can provide training and technical assistance. The intent of this activity is to get IBAMA to take the lead on implementation with backstopping by FVA.

- Ecotourism. Expand the volume of ecologically appropriate tourism to the park and to the municipality of Novo Airao, adjacent to the park. This activity will include a survey of the park region, determining tourist attractions and information. The information will then be transferred to

the local people so they can act as tour guides or use it in other related activities.

- Handicrafts. Assess the handicraft potential among local artisans in this region. Presently wood carvings and articles woven from native fibers are produced in the region. The market has been limited so far by the lack of access to large regional markets and lack of visitation from tourists. Activities will include helping the community develop a market outside the municipality and organizing craftspeople to benefit from the increasing tourism.

- Resource Management. Ecotourism and handicrafts, although the primary source of alternative income identified thus far, are not the only options. WWF also foresees possibilities of developing agroforestry and extractive activities in the buffer zone. These activities will benefit from other USAID/GCC supported research and demonstration projects in the Amazon region. The goal is to achieve comprehensive regional resource management, which will benefit the local population and encourage them to protect the park and its surrounding natural resources.

- Environmental Education. The goal of this activity is to increase public awareness of the value of conserving the region's natural resources for their future and that of their children. This project follows the "Wildlands and Human Needs" concept developed by USAID and WWF in other developing country protected areas. WWF intends to develop two main activities: inclusion of environmental education activities in the regular curriculum of the schools of the Novo Airão municipality, and less formal campaigns aimed to sensitize the adult population.

<u>Activity 4.2—Pilot Project on Forest Management in an Extractive Reserve in Amapa:</u> Extractive reserves of natural forest products have received widespread acclaim as a socially and environmentally sound development alternative for Amazonia. Recent establishment of several large extractive reserves in Amazonia, along with endorsement of extractive reserves by the Multilateral Development Banks, has been the most exciting policy accomplishment within Amazonia in the past decade. Most importantly, this initiative was a result of a democratic process. The extractive reserves initiative was created by the government to attend to the demands of several grassroots organizations led by the National Council of Rubber Tappers (CNS).

In contrast to their demonstrated environmental and social advantages, however, a key aspect of extractive reserves that has been little developed is their economic feasibility. If extractive reserves cannot be proven viable on the ground within

the next few years, this extremely promising policy initiative will fail.

Unfortunately, the federal government is not ready to address these issues and has ceded management responsibility to the CNS. Extractive reserves technically belong to the government through IBAMA, the Brazilian Environment Institute, but the right of use is to be transferred to local forest dwellers through some form of ownership title. The issue of title, along with the task of making these reserves economically viable, are several of the many complicated issues that remain to be worked out by IBAMA together with extractivist communities.

In its support for extractive reserves, WWF's objective is the development of ecologically appropriate models of forest use for the region that can provide an alternative to converting the standing forest to pasture or shifting agriculture. This will be possible only if the extractive movement is able to gain full economic and legal viability by proving that this mode of resource use is sustainable in the long term.

Most of the international support for developing extractive reserves has concentrated in the state of Acre, where the rubber tapper movement is extremely strong and the CNS headquarters is located. WWF believes that the extractive reserve concept must be tested outside the state of Acre, with other environmental and social conditions, before it can be considered a valid sustainable use alternative throughout the Amazon region.

Amapa is one of the least environmentally degraded states, with only about 0.5 percent of its area deforested. It has a new state government and a growing extractivism movement, and competition over natural resources is less polarized than in Acre. In Acre, extractivism relies heavily on rubber and Brazil nut production. In Amapa, forest dwellers extract palm heart and fruits from açai palm (Euterpe oleracea) in the floodplain during the dry season and Brazil nuts in the upland during the rainy season. This constant migration pattern is not found in Acre, where the rubber tappers live in their plot (colocação) year round.

For these reasons, a pilot project in the state of Amapa offers an historic opportunity to make extractive reserves viable in social, legal, and economic terms. If successful, the "lessons" of extractive reserves in Amapa (which includes floodplain forest resources not found in Acre) might be extended to other similar parts of Amazonia.

During the first year of our USAID grant activities, we have been supporting the CNS-Amapa and the Institute of Amazon Studies (IEA) to develop and implement extractive reserves in Amapa. We have developed a project that is beginning to address

the legal, social, and economic issues related to the long-term viability of extractive reserves in Amapa. The work is focussing on two adjacent extractive reserves along the rivers Cajari and Maraca.

The general objective of this project is to begin developing a productive and viable extractive reserve. Specifically, we are working with CNS-Amapa and IEA to: (a) improve the ability of CNS to communicate with relatively isolated communities of extractivists; (b) promote community organization and training so that reserve residents are aware of legal, social, and economic aspects of reserve consolidation; and (c) conduct applied research on resource utilization and socioeconomic constraints to mproving basic services and markets for forest products.

WWF intends to apply in Amapa lessons learned from the anagement of extractive reserves in Acre. One of the most mportant points that emerged from our experience in Acre is that he traditional extractivist system is in jeopardy because it can o longer guarantee sufficient income to the local population. iddlemen over-exploit the forest dwellers by selling them eneral goods at prices up to three times higher than the market, nd buying unprocessed forest products, such as rubber or Brazil uts, at extremely low prices. In Acre, the forest dwellers are starting to change this system by eliminating the role of the middleman and adding value to their products. A good example is the Brazil nut co-op in Xapuri, where the forest dwellers created a co-op that buys unshelled nuts in the forest, shells them, packs them in Xapuri, and sells directly to international buyers. Moreover, the co-op buys general goods in wholesale stores and sells them to its members at almost cost price. This system has the potential to provide a fourfold to fivefold increase in their income. WWF intends to support similar activities in the extractive reserves of Amapa.

WWF foresees implementing the following activities as part of the Amapa pilot project:

- Consolidating the extractive reserve by providing technical assistance and resources for such actions as demarcation, land titling, and community organization.

- Surveying the existing natural resources and their potential to provide an alternative sustainable income to the community. This survey will include aspects of marketing and processing such products. In addition, research will also consider how current harvesting of Virola timber and use of water buffaloes may be destroying the extractive reserves' long-term productivity.

- Supporting studies to define sustainable levels of exploitation and complete marketing and processing studies

for açai palm fruit and heart and Brazil nuts, products already being exploited. We foresee the establishment of a palm fruit and heart processing plant and a Brazil nut processing plant in the reserve, under a co-op system that will directly market the processed products. We also intend to study the potential of using Brazil nuts for cosmetics, soaps, and oils, as well as other açai products, such as creams and jellies.

- Developing the sustainable use of at least one more product under the same co-op system. This product will be selected on the basis of results of the natural resource survey.

- Supporting several training activities for the local CNS and community members. The objective is to provide the technical skills required to manage the reserves and the economic enterprises established (the processing plants), improving the self-reliance of the community.

Program Component 5: Coordination Activities

WWF is uniquely placed to assist in technical coordination to facilitate activities of other USAID grantees and other U.S. government agencies working on the Global Climate Change Program in Brazil. Through many years of conservation work in Brazil, WWF has established an informal network of contacts with individuals and institutions that can contribute to ongoing USAID funded projects.

The objective of this technical coordination is to maximize the impact of combined efforts in the region by reducing duplication of activities, building mutual awareness and communication among different programs, and promoting interactions and joint efforts among program components whenever deemed appropriate by the AID program staff in Brasilia and the individual institutions working in the region.

Three types of coordinating activities will help strengthen the overall program:

o Site visits and meetings: WWF will visit other grantee's project sites in order to learn more about their projects and to identify possible sources of technical assistance or collaborative efforts. WWF will also meet with U.S. institutions, such as the US Forest Service and EPA, to develop common goals for joint programs in Brazil. WWF will also assist the staff of the USAID mission in preparing for an annual meeting of program implementors in Brazil, although logistical arrangements will be handled by the USAID mission, and travel and other participant costs will be covered individually by each project.

o Promoting interactions between grantees. Based on their contacts, WWF will suggest field visits and training activities among and between different grantees and institutions. These interactions will be both between two participants in the program and between a single participating project and a non-participating Brazilian institution. An example of the first type would be an exchange between the community forestry project in Paragominas and researchers from the PESACRE group in Acre. An example of the second type would be the community forestry project in Maraba which could benefit from interactions with phytopathology researchers from EMBRAPA/CPATU.

o Establishment of an electronic network to improve communications and interaction among all grantees. The network will initially use the existing ALTERNEX network. ALTERNEX is managed in Brazil by IBASE and already has a specific bulletin board for environmental issues. ALTERNEX also provides access to BITNET and ECONET, allowing U.S.-based institutions to participate in the network. WWF, along with USAID/Brazil, is negotiating with UNDP/Brazil for the donation of several computer systems which would be given to participants in the network. In the future, WWF should have its own network manager with its own bulletin board and information transfers (but still within ALTERNEX).

Additional funding above that specified for program components 1-4 (budget items A, B, and C in the summary budget) will be required to perform these coordination activities. These funds are listed as budget item D in the summary budget. These resources will be used to fund travel by WWF personnel, to support the short trips and training activities of the grantees, and to buy phone lines and pay technical assistance and operational costs for the electronic network. It is assumed that computer acquisition costs would be paid by UNDP. WWF is committed to matching coordination activity funds on the same basis as proposed in the main proposal.

PROGRAM IMPLEMENTATION

WWF's philosophy of promoting conservation and sustainable management of tropical forests is not focused on externally-driven projects that are carried out and "owned" by WWF. In contrast, we believe in supporting and encouraging local institutions, both governmental and non-governmental, to develop and carry out activities which are consistent with their own interests, modes of operation and priorities. As a result of this operating philosophy, project results may be less immediate and less evident; it also means that WWF has less control over the agenda of activities since we are committed to being responsive to local priorities. Nevertheless, we believe the empowerment inherent to this approach is the best way to achieve fundamental, long-term change.

The specific activities that WWF does carry out involve providing technical and financial support for carefully designed and targeted activities by local institutions. We work carefully with these institutions to define the objectives and work plans of these activities, and carefully monitor intermediate and ultimate accomplishments. The following listing indicates WWF's specific modes of support to local initiatives.

- Action Grants - These grants are to support activities that fit directly within the framework of planned activities, such as specific research and demonstration projects, communication and dialogue, etc. Action grants are only disbursed in response to well defined proposals by the implementing institution.

- Consultancies - From time to time, specialized, specific needs of local institutions may merit one-on-one consultancies. In these instances, WWF staff can provide technical assistance or assist in covering the costs of consultants.

- Workshops - Workshops can provide valuable opportunities for colleagues to focus on specific topics of importance in the field of forest conservation and management, including management techniques, policy analysis and its implications, incorporating resource users in the design and dissemination of research, etc., as well as other topics identified as important by our local partners. Support from WWF for workshops can range from co-sponsorship to direct funding or technical assistance in the design and implamantation.

- Training Materials - In addition to training services, WWF can respond to requests to provide, or support production of, training materials. These might include publications on forest management issues.

- In-Country Exchanges and Exchanges with Other Latin Countries - To strengthen individual organizations and regional networks, improve local coordination and collaboration, and to facilitate the exchange of experiences, the program will offer selected project personnel the opportunity to visit other institutions and projects and gain experience in areas they have identified as priorities.

- Exchanges with Institutions in North America or Europe - WWF believes it is important to facilitate communication between Brazilian institutions and national and international donor and other relevant organizations. WWF will support Brazilian participation in conferences, seminars, and other fora.

- Other - The above list of services is not exclusive. WWF will consider other requests for assistance that are not covered in the above menu. Any proposal that is well justified in accordance with the goals and objectives of the Program will be thoroughly considered.

PERSONNEL

Overall management of WWF's global climate change program in Brazil will be carried out by Dr. Robert Buschbacher, the director of WWF's Tropical Forestry Program. Dr. Buschbacher has been directing WWF's Tropical Forestry Program for the past four years, and has had principle responsibility for carrying out WWF's activities with USAID in Brazil over the past several

years. In addition, the Tropical Forestry Program will dedicate program officer Dr. Garo Batmanian full time to managing, coordinating and implementing the activities under this program. Dr. Batmanian has been managing all Tropical Forestry Program activities and all USAID related projects in Brazil for the past seven months. Dr. Batmanian has a Ph.D. in forest ecology, specializing in rehabilitation of degraded areas of the Amazon, and has worked for the Brazilian environmental agency (SEMA, now SEMAM) for about two years.

Throughout WWF's program, there is strong collaboration among geographically centered "regional programs" and "sectoral" programs which focus on a specific set of issues. The Tropical Forestry Program, which focuses on sustainable exploitation of tropical forest, is one such sectoral program, as is the "Organizational Development Program." The Organizational Development Program (ODP) provides training and strategic planning support to institutions, both governmental and non-governmental, involved in conservation and natural resource management. In the case of WWF's activities in support of the USAID Global Climate Change Program in Brazil, the Tropical Forestry Program will work closely with WWF's Brazil regional program and the Organizational Development Program.

The Brazil program is directed by Lou Ann Dietz. Dr. John Butler is the program officer for the Brazilian Amazon. Dr. Butler will spend approximately one-third of his time working directly on the activities proposed herein, with the balance focused on related activities. Dr. Butler has a Ph.D. in anthropology, specializing in resource management aspects of development in the Brazilian Amazon.

WWF's Organizational Development program is directed by Laura Campobasso. ODP's activities in Brazil are coordinated by Judite Souto. Her primary responsibility is to provide institutional strengthening support to Brazilian governmental and non-governmental organizations. Ms. Souto has fluency in Portuguese and Brazilian cultural knowledge, with a professional expertise in organizational management.

In addition to this strong involvement of WWF headquarters staff in terms of managing and providing technical input to field activities, WWF maintains a strong in-country presence in Brazil. We have just hired an experienced Brazilian ecologist, Dr. Cleber Alho, as an in-country WWF representative based in Brasilia. Dr. Alho was a full-time professor at the University of Brasilia, and has been working for many years on uses and conservation of natural resources in Brazil. He has spent a considerable initial period in our Washington office learning our operating procedures and philosophy, as well as the specifics of our program, and has established and now manages a WWF office in Brasilia.

MATCHING CONTRIBUTION

WWF will commit an amount of funds, from non-USAID sources, not less than three-quarters of that committed by USAID under the present agreement. WWF's matching contribution will be applied to activities specified in the GCC Program for Brazil and on related activities consistent with the program strategy. This flexibility will allow WWF to maximize our capability to raise matching funds from international organizations, particularly European WWF national organizations and their national bilateral assistance agencies, and respond to opportunities which arise.

Related activities are those which fall within the overall strategy of the USAID GCC program in Brazil: policy-impacting research, training, and practical demonstration projects aimed at linking researchers, resources users and policy makers. These related activities will complement the other activities in this proposal. Examples of the types of activities that will be considered are: development of management plans and other conservation activities in protected areas; research and pilot projects on forest management for timber, agroforestry and extractive products; institutional support for NGOs; training and strategic planning assistance to government agencies; environmental education and development of materials to build local support for sustainable forest management; etc.

FINANCIAL MANAGEMENT

WWF uses standard budgeting and accounting procedures. Annual budgets for the July 1 to June 30 fiscal year are reviewed and approved by the Board of Directors at the Board's annual Spring meeting. Annual audits are conducted by Arthur Andersen and Co. in July, and audited financial statements are presented to the Board in September. Every year, WWF undergoes an A-110 single audit, as part of our annual audit, to assure compliance with the terms of government grants and contracts.

Separate cost centers are established for each government grant or contract, and associated expenses are tracked and reported on a monthly basis. All WWF employees record their time by cost center; time sheets are submitted biweekly. Travel expenses, consultant costs, and other direct costs are also tracked by cost center.

Standard procurement practices are also used. In general, computers, vehicles or major communications equipment will be procured with WWF's separately raised matching funds, and thus would not be subject to USAID procurement regulations.

U.S. government funding is projected to provide $6.6 million

out of the total WWF budget of $64 million for fiscal year 1991, or approximately 10% of our annual budget.

CONCLUSION

WWF is proposing an integrated set of long-term activities which combine demonstration projects, policy analysis and dialogue, and institutional strengthening. These activities aim to protect Amazon forest resources through improved management, and will thus reduce the emission of atmospheric greenhouse gases form Amazon deforestation.

All of the program components described above seek to demonstrate alternative forest management strategies that could be replicable in other parts of the region. All activities are also designed to promote self-reliance and self-sustainability, in order to ensure their long-term viability.

MANDATORY AND OPTIONAL STANDARD PROVISIONS
(Appendix 4C, AID Handbook 13)

The following Mandatory and Optional Standard Provisions for U.S., Non-Governmental Grantees in effect as of the effective date of this Grant are incorporated herein by reference with full force and effect as though fully set forth herein:

A. Mandatory Standard Provisions

1.	Allowable Costs	(November 1985)
2.	Accounting, Audit, and Records	(May 1991)
3.	Refunds	(September 1990)
4.	Revision of Grant Budget	(November 1985)
5.	Termination and Suspension	(May 1986)
6.	Disputes	(November 1989)
7.	Ineligible Countries	(May 1986)
8.	Debarment, Suspension and other Responsibilities Matters	(March 1989)
9.	Nondiscrimination	(May 1986)
10.	U.S. Officials Not to Benefit	(November 1985)
11.	Nonliability	(November 1985)
12.	Amendment	(November 1985)
13.	Notices	(November 1985)

B. Optional Standard Provisions

1.	Payment - Letter of Credit	(November 1985)
4.	Air Travel and Transportation	(November 1985)
6.	Procurement of Goods and Services	(November 1985)
7.	AID Eligibility Rules for Goods and Services	(November 1985)
8.	Subagreements	(November 1985)
9.	Local Cost Financing	(November 1988)
11.	Publications	(November 1985)
13.	Negotiated Indirect Cost Rates - Provisional	(May 1986)
15.	Participant Training	(May 1986)
20.	Title to and Use of Property (Grantee Title)	(November 1985)
25.	Conversion of U.S Dollars to Local Currency	(November 1985)

4.39

AID 1330-1
(3 87)

*PIO/T

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES

1. Cooperating Country: Brazil

2. PIO/T No. 512-0784-3-10009

3. [X] Original or Amendment No. ____

4. Project/Activity No. and Title: 598-0784 Global Climate Change

DISTRIBUTION

5. Appropriation Symbol: 72-1111021

6. Budget Plan Code: LDNA91-25512-IG12

7. Obligation Status: [X] Administrative Reservation [ ] Implementing Document

8. Project Assistance Completion Date (Mo., Day, Yr.): 09/30/95

9. Authorized Agent: RCO/QUITO

10. This PIO/T is in full conformance with PIO/AG No. ____ Date N/A

11a. Type of Action and Governing AID Handbook: [ ] AID Contract (HB 14) [X] AID Grant or Cooperative Agreement (HB 13) [ ] PASA/RSSA (HB 12) [ ] Other

11b. Contract/Grant/Cooperative Agreement/PASA/RSSA Reference Number (If this is an Amendment): N/A

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. ____)

		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
Maximum AID Financing Available	A. Dollars	-0-	$828,000	-0-	$828,000
	B. U.S. Owned Local Currency				

13. Narrow References

14A. Instructions to Authorized Agent

Contracting Officer is instructed to execute a four year grant agreement in the amount of $2,867,700.46 to be incrementally funded with the World Wildlife Fund; the amount to be obligated in FY 91 is indicated in Block 12 to accomplish the statement of work in Attachment 2. An illustrative budget is provided in Attachment 1. Justification for non-competitive contractor selection is in Attachment 3. Condition Precedent is in Attachment 4.

14B. Address of Voucher Paying Office: R/Cont/Lima

15. Clearances – Include typed name, office symbol, telephone number and date for all clearances.

A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.
Howard B. Helman, AID/REP/Brazil — Phone No. — Date 8/7/91

B. The statement of work or program description has been the review of the initiating office and approved agency programs.
Howard B. Helman, AID/REP/Brazil — Date 8/7/91

C. James J. Dunlap, Reg. Contracting Officer, Quito, Ecuador — Date

D. Funds for the services requested are available
FAX No: 51/91,
Paul Kramer
Reg. Controller/Lima, Peru — Date 8/23/91

E. — Date

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to

Signature ____ Date ____

Title ____

17. For the Agency for International Development
JOHN PIELEMEIER
Signature ____ Date 8/27/91
Title AID Representative/Brazil

*See HB 3, Sec. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject [illegible] to disciplinary action.

PIO/T 512-0784-3-10009
Attachment 1

ALLOCATION OF FY'91 FUNDING ($828,000)

FISCAL YEAR	1992	1993 (partial)
A. STAFF TIME		
Program Directors (5 months)	19,885.00	
Program Officers (13 months)	38,420.00	
Program Assistants (5 months)	9,662.00	
Secretaries (6 months)	9,504.00	
Benefits (37 %)	28,664.27	
SUBTOTAL	106,135.27	26,798.30
B. GRANTS AND SUBCONTRACTS		
Environmental Impact Assessment	60,000.00	
Natural Resource Economics	75,000.00	
Institutional Strengthening	140,000.00	
Management of Protected Areas	120,000.00	
SUBTOTAL	395,000.00	99,734.34
C. OTHER DIRECT COSTS		
International Travel	31,500.00	
Communications, Xerox, etc.	4,500.00	
Field Office Costs	2,400.00	
SUBTOTAL	38,400.00	9,695,69
INDIRECT COSTS		
Overhead	31,840.58	
General and administrative	53,067.64	
SUBTOTAL	84,908.22	21,439.05
TOTAL	624,443.49	157,667.38
D. COORDINATION ACTIVITIES	37,500.00	8,389.13
GRAND TOTAL	661,943.49	166,056.51
GNF MATCH (75% of GRAND TOTAL)	496,457.62	

For 1992 : $ 661,943.49
For 1993 : $ 166,056.51

Total: $ 828,000.00