

**TROPICAL FOREST FOUNDATION
FUNDAÇÃO FLORESTA TROPICAL**

**SUSTAINABLE FOREST MANAGEMENT PROGRAM
IN BRAZIL**

ANNUAL REPORT

For Period: September 2002 – October 2003

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Contacts:

O. Keister Evans, Executive Director
Tropical Forest Foundation
2121 Eisenhower Ave., Suite 200
Alexandria, VA 22314
Phone (703) 518-8834
Fax (703) 518-8974
Email: tff@igc.org

Johan C. Zweede, Project Director
Fundação Floresta Tropical
Tv. 14 de Abril, 1464
CEP 66063-140 Belém, Pará
Fone 091-229-8371
Fax 091-249-7923
Email: zweede@fft.org.br

I. Introduction

This report highlights the principal accomplishments of the Tropical Forest Foundation's Sustainable Forest Management Program in Brazil for the period October 2002 – September 2003. The report will briefly summarize key results from the first half of this period; details for this period can be found in the semi-annual report submitted in April 2003. Accomplishments from the second half of the period (April – September) are reviewed in somewhat more detail in this report. Numbers presented in the report refer to cumulative totals for the full year unless otherwise noted.

TFF's Brazil program aims to accelerate the adoption of sustainable forest management (SFM) principles and reduced-impact logging (RIL) practices among producers in the Brazilian Amazon. TFF's Brazilian subsidiary, Fundação Floresta Tropical (FFT), implements the program through demonstration, training, and research and documentation (R&D).

USAID (Global Bureau), USAID-Brazil and the USDA-Forest Service Office of International Programs (USDA-FS) have supported TFF and FFT since 1996. The USDA-FS administers grants from all three agencies to cover the program's expenses and to help TFF and FFT leverage additional financing. This narrative serves as the annual report for all three agencies.

FFT completed all of its planned activities for the reporting period and managed to conduct additional activities that were not planned despite significant budgetary problems and the late disbursement of expected funds from ITTO. The general program (training, extension, and applied research) continued and FFT strengthened its partnership with IBAMA and MMA. Its efforts with these key government agencies resulted in the creation of a new network of training centers to promote and teach FM-RIL across the Amazon. Details of these activities are presented below in the format requested by USAID-Brazil, but separated by activities pertaining to the training center and FFT's general program.

II. Key Results

1. Training Center

- FFT, MMA, IBAMA, and other stakeholders held a series of meetings to finalize plans for the establishment of a forest management training center for the Amazon.
- The partners agreed that a network of FM-RIL training centers across the Amazon would provide the most effective and flexible way to meet the increasing demand and need for training across the Amazon.
- This network, called CENAFLOR (National forest management support center), was formally established under the auspices of IBAMA in early October 2003. The key stakeholders also agreed that IFT (Instituto Floresta Tropical), FFT's successor, should run the Center of Reference (=Center of Excellence) in the Amazon region. As the Center of Reference for the training network, IFT will develop and test FM-RIL models, develop guidelines and standards for training, and provide technical support to the satellite centers that are part of CENAFLOR. This management scheme and IFT's status as a Brazilian NGO will make it eligible for Brazilian government financing.
- In the next 3-5 years, IFT will use Cauaxi as the Center of Reference while the partners continue to assess the political, economic, and legal challenges of establishing the Center of Reference permanently in the FLONA Tapajos.
- The ITTO proposal that Brazil submitted on behalf of FFT was approved in June and FFT received the first disbursement in early September.
- IFT became a member of two consortia that submitted funding requests to USAID-Brazil. Both proposals were funded. IFT will use the funds to absorb and continue FFT's training, extension, and applied research programs as well as to develop the Center of Reference in the training network at Cauaxi. IFT will use funds committed by the Dutch government to improve the training facilities at Cauaxi.

2. *Training, Extension, and Applied Research*

- FFT trained 236 people in 16 courses in Cauaxi and 146 people in 12 ex-situ courses (including 2 in Peru) for a total of 382 trainees during the reporting period, which was perhaps FFT's busiest and most productive since its inception (see Appendix 1 and 2).
- FFT promoted FM-RIL through 4 extension events attended by 130 people, and also through a video illustrating how to implement RIL; IBAMA included the video in its annual report.

- FFT participated in the 6th annual Machine and Forest Products Exposition in Belém (Sept. 23-27). At the Exposition, Caterpillar-Brazil highlighted FFT's technical support in the creation of the Cochicho da Mata Project. CAT initiated the project – a 600-m² walk-through re-creation of a rainforest that combines animation (of fire, rain, animals, etc.) and live actors – to educate the public about the sustainable use of rainforests. About 20,000 people in Belem and 100,000 people in 4 other cities (including Brasilia and Sao Paulo) have also learned about the project through the CAT display.
- FFT continued the professional development program for its trainers. In particular, FFT trainers participated in a course jointly conducted by IMAFLORA and FFT for IMAFLORA and FFT technical staff on certification and field audits.
- FFT continued several applied research activities (e.g., post-harvest silviculture) that will provide information to improve the viability of FM-RIL in different Amazon regions. In addition, FFT began a new study that will result in industry field productivity standards for each pre-harvest and harvest activity (e.g., felling, skid trail planning, etc.).

III. Progress by Activity Component under each IR

1. Training Center – the activities under this component contribute significantly to Indicator 1. The accomplishments listed below are organized by the activity components described in the Scope of Work.

1.1 Networking with key stakeholders and formalizing partnerships

- FFT established relationships with 2 other training programs: FUNTAC in Rio Branco, Acre; the Jamanchim Project in Sinop, Mato Grosso. Both programs will become satellite (or secondary) training centers within the CENAFLOR network. FFT conducted courses at these centers in response to their request for assistance.
- FFT established a formal partnership with UFRA (Universidade Federal Rural da Amazonia, formally FCAP) to provide training as part of the university's required curriculum for forestry graduates. This partnership grew out of informal courses FFT provided for students at their own request.
- FFT strengthened its relationship with MMA, IBAMA, and other stakeholders involved in the creation of CENAFLOR (see above) through a series of meetings and

site visits. FFT senior staff (Zweede and Dias) visited Precious Woods with officials from MMA and IBAMA as part of a process to consolidate objectives, agree on institutional arrangements, and clarify a strategy of action.

- FFT strengthened its already good partnerships with EMBRAPA and CIFOR by actively participating in their Technology Transfer project funded by ITTO. FFT provides the training and participates in other project components including the establishment and testing of RIL criteria and indicators.
- IFT joined two consortiums comprising many of the key NGOs working in the Amazon. The consortiums are funded by USAID-Brazil (see below).

1.2 Obtaining funding

- The proposal FFT submitted to ITTO was approved in June and the first funds from the \$600,000 grant were disbursed in September. The project will allow FFT to continue its training and extension program during the next two years while IFT develops the Center of Reference within CENAFLOR and becomes financially stable
- IFT will receive funding from USAID-Brazil as a member of two major consortiums, the creation of which USAID-Brazil requested to facilitate project administration and monitoring. FFT is a major partner in the Alfa Consortium administered by IIEB in Brasilia. FFT is a sub-contractor in the consortium headed by IPAM.
- The Dutch government (via the Dutch Embassy) has agreed to provide funds to IFT to upgrade the training facilities in Cauaxi. The grant will be administered through CENAFLOR and hence through the National Forestry Program of MMA.
- UFRA will pay for the cost of courses FFT will provide its forestry students as part of the new partnership mentioned above.
- TFF secured a grant from the World Bank/WWF Alliance to help cover the costs of training and extension activities between April and June.
- Although FFT and IFT submitted three funding proposals to various Brazilian Government programs, no funds were obtained from these sources. Only 1 of the proposals was approved, but ultimately, lack of funds precluded disbursement.

- Now that IFT has been legally established for 1 year, it is eligible to receive (and thus apply for) international grants.

1.3 Revising the Business Plan

Although the creation of CENAFLOR calls for a Center of Reference (=Center of Excellence), FFT/IFT decided that it is not necessary, at least at present, to revise the Business Plan. The key stakeholders agreed that it would be beneficial to establish the Center of Reference at Cauaxi, at least until another more permanent site is found. In addition, the fact that FFT recently received an ITTO grant to conduct training in Cauaxi for another two years justifies the decision to postpone revision of a business plan. Finally, the decentralized structure of CENAFLOR – with a principal Center of Reference and several satellite training centers – alters the conception of the training center originally envisioned in the Business Plan. Thus, if and when IFT is officially designated as the Center of Reference (probably late 2003 or early 2004), and the satellite centers are officially named, it will revise the Business Plan.

1.4 Legal establishment of training center

- As noted above, FFT/IFT and partners now consider establishment and implementation of CENAFLOR and the training network more important than a single permanent training center. CENAFLOR was legally established by IBAMA in early October 2003. Details of its operation will be divulged in the coming weeks. In this regard, IFT will continue to work closely with IBAMA and MMA. In the meantime, Cauaxi will serve as the principal training center and presumably become the Center of Reference within the CENAFLOR network.
- The CENAFLOR scheme will be coordinated by IBAMA and (as noted above) involves a network of training centers that conduct FM-RIL courses in various locations across the Amazon and a Center of Reference (IFT) to conduct courses, set training standards,

develop and test improved FM-RIL models and methods, and provide technical support to the satellite centers.

- Before IFT can be designated as the Center of Reference it must be recognized as “OSCIP”, which is a civil entity of public interest. Accordingly, IFT is modifying its statutes to be approved as an OSCIP.

1.5 Training center construction

Given the decision to continue conducting the training courses in Cauaxi, FFT has begun improving the existing training facilities. For example, with support from CIKEL, FFT replaced the plastic roof on two of the barracks with wooden shingles. Similar improvements – and re-building the disintegrating bathroom and bathing facilities – can be made to the rest of the camp structures once additional funds are available. The Dutch government has offered to help CENAFLOOR; included in their financial assistance will be support to improve FFT/IFT’s training facilities and infrastructure.

1.6 Bridging FFT’s program – these activities are described in the next section.

2. Training, Extension, and Applied Research – these activity components pertain to IRs 1.3, 2.2, 2.3, and 4.1, and contribute to Indicator 1. The specific accomplishments are elaborated under each component below and contribute toward the achievement of the objectives listed in the Scope of Work.

2.1 Training

- FFT trained 236 people in 16 courses in Cauaxi and 146 people in 12 ex-situ courses for a total of 382 trainees during the reporting period (See Table 1 for summary and Appendices 1 and 2 for details). FFT developed and conducted courses in 2 locations in Peru (Table 1). Andre Dias (FFT Operational Manager) helped officials from INRENA, CIFOR, and FONDEBOSQUE develop the Peru program.

Table 1. In-situ (Cauaxi) and ex-situ courses conducted during the reporting period

Courses at Cauaxi		
Courses	9/02 – 10/03	# Trainees
TC	1	16
TD	4	44
MF	3	64
GM	5	74
TA-Imaflora	1	25
TO	2	13
Total	16	236

Ex-situ Courses			
Course	9/02 – 10/03	# Trainees	Location
TC	1	19	<i>Tefé – AM (Inst. Mamirauá)</i>
TC	1	12	FLONA Tapajos – Santarém – PA (LBA)
TC	2	30	Pucalpa & Madre de Dios - Peru (CIFOR)
TC	1	5	Madevale – Vilhena, RO
TC	1	15	SENAI – Sinop (MT)
TC-TO	1	8	ECOLOG (RO)
TC	1	8	Tailândia - PA (Juruá Florestal)
TO	1	5	Tailândia - PA (Juruá Florestal)
TP	1	8	Tailândia - PA (Juruá Florestal)
TD	1	16	FUNTAC-AC
TC	1	20	<i>Proj. FASE – Gurupá</i>
Total	12	146	

Notes:

Sites in *ITALICS* indicate courses for communities

Course codes: TD = decision makers; GM = FM for foresters; MF = FM for technicians; and TC = felling techniques; TA = operational auditing techniques; TO = harvest operations methods

- Several of the courses that FFT conducted focused on trainer training. Importantly, these training courses allowed FFT to establish a formal relationship with several institutions that are providing training in other parts of the Amazon. These relationships will be beneficial once the network of training centers (CENAFLO) becomes operational (probably in 2004). For example, FFT conducted courses in Acre (FUNTAC) and Mato Grosso (Jamanchim Project) for the programs that MMA will designate as satellite

centers as part of CENAFLOR. FFT's trainer training also extended beyond Brazil: FFT held one course for trainers from Guyana in Cauaxi and for Peruvian trainers in two locations in Peru. There were also requests for training from Suriname and French Guiana, but FFT's full schedule made it impossible to take on additional work this year.

- Several courses also focused on updating the training of previous trainees (i.e., 'recycling' or reciclagem in Portuguese). For example, FFT provided follow-up training (or 'recycling') for operators, managers, and trainers from CIKEL, Galleti, Mamiraua, and the FASE Project to consolidate their understanding of practical concepts and to update their field skills.
- Finally, FFT continued its commitment to the professional development of its trainers by sending staff members to different courses (see April 2003 report for more details). The most noteworthy was a joint course offered by FFT and IMAFLORA on field auditing techniques and certification. FFT technical staff participated in the IMAFLORA portion of the certification course while IMAFLORA staff received training in field auditing of FM-RIL from FFT.

2.2 *Extension*

2.2.1 Extension events

- FFT conducted 4 extension events attended by 130 people during the reporting period. The 2 events FFT conducted since the semi-annual report was submitted in April took place at UFRA (62 students) and at J.T.K. Technical School (28 students).
- FFT staff participated in several other activities including lectures, meetings with communities and industry groups, and workshops. For example, André Dias gave a lecture at the Tropical Wood Symposium (100 people) and a presentation on FM-RIL at a videoconference held at EMBRAPA for the general public (22 people from 3 states attended).
- FFT also participated in the 6th annual Machine and Forest Products Exposition in Belem (Sept 23-27). At the Exposition, FFT staff manned an information booth and gave lectures on FM-RIL. Other events in which FFT participated are summarized in the following table.

FFT Participation in Extension Events, Workshops, and Seminars (2003 only)			
Type of event	Location	Date	# people
Meetings with MMA re: training center	Brasília - DF	25 February	9
Training of forestry professors (UFRA)	Belém - PA	14-29 March	6
Certification Seminar – CIFOR	Belém - PA	27-28 February	23
CENAFLOR Seminar	Manaus / Santarém	25-28 April	9
Workshop IPAM	Belém - PA	24-25 April	17
Workshop CIFOR	Belem	26 June	11
Workshop IPAM – National Forest Program	Belem	26-27 June	60+
CENAFLOR meeting	Belem	13 May	13
Workshop Imazon Certification	Belem	17 June	?
Workshop Imaflora Certification	Piracicaba	28-29 July	20
Workshop CENAFLOR	Belem	15 July	11

2.2.2 New Partnerships

- Although FFT has collaborated in the past 8 years with EMBRAPA and CIFOR, FFT's involvement in their joint ITTO project afforded an opportunity to forge a formal partnership
- FFT/IFT's new partnership with UFRA (mentioned above) formalizes relationships with several of the Universities professors that FFT has tried to strengthen over the past 8 years. The new arrangement will allow UFRA students to obtain practical field training as part of their degree.
- FFT has conducted courses over the past 2 years for University of Florida and Brazilian graduate students. University of Florida graduate students are also beginning to work with FFT on various applied research problems. A formal agreement is being worked out between the two institutions.

2.2.3 Important meetings

In addition to the meetings mentioned in the April Semi-Annual report, FFT senior staff participated in the following meetings

- Zweede gave a presentation about FFT's program to the US Ambassador to Brazil during her visit to Belém.
- At the request of USAID, Zweede gave a presentation in Brasilia on FFT's work and the importance of FM-RIL.
- In September, Andre Dias attended a workshop in Brasilia on community forestry hosted by the working group on community forest management.
- Dias and Zweede attended a training workshop in Itacoatiara sponsored by MMA and IBAMA including site visits.
- Dias also participated in a meeting of the BASA (Amazon development bank) study group for financing forest management. Traditionally, BASA has only financed agriculture projects.

2.2.4 Important site visits (in chronological order)

Site Visits		
Institution	Date	# People
USAID-Brazil Director and representatives	November	6
Caterpillar-U.S. L.A. General Manager	February	4
Flona Tapajos community leadership	April	3
UFRA forestry professors	June	6
Caterpillar-Brazil S. A., President	September	3
Ex-post evaluation of 98-99 ITTO Project	July	2
Total		26

2.2.5 News and T.V. –

- Five news articles appeared in Brazilian newspapers regarding the FFT program.

- 15,000 copies of the FFT video on implementation of FM-RIL for operators were made on CD and distributed.

2.3 *Applied Research* – FFT carried out several applied research activities during the reporting period. Some of these activities have been ongoing for several years; others represented relatively new pilot studies.

New studies:

- RIL productivity standards – FFT’s best operators and technicians are applying each component of RIL (especially the harvest and harvest planning components) under a variety of conditions to set productivity standards for the industry. The impetus for this study grew out of observations that industry practitioners who knew proper techniques were not always applying them because of unrealistically high production goals set by managers. The maximum productivity standards obtained through this study will allow FFT to recommend targets for productivity to forest managers in the industry.
- FM-RIL criteria and indicators – As noted above, FFT is collaborating with EMBRAPA and CIFOR to field test criteria and indicators of FM-RIL.
- RILSIM translated to Portuguese – D. Dykstra, who completed the RILSIM (RIL costs simulator) project initially started at University of Florida by J. Putz, demonstrated its uses in Cauaxi during one of the courses. FFT subsequently discussed its potential with MMA and that entity agreed to translate the whole program into Portuguese. Dykstra has provided all the details for the translation and a first version will be ready in November 2003. It can then be tested on a commercial scale and if necessary refined.
- Enrichment planting – a Univ. of Florida graduate student conducted a 1-month study to follow-up on previously positive results from enrichment planting trials in Cauaxi.

Ongoing studies

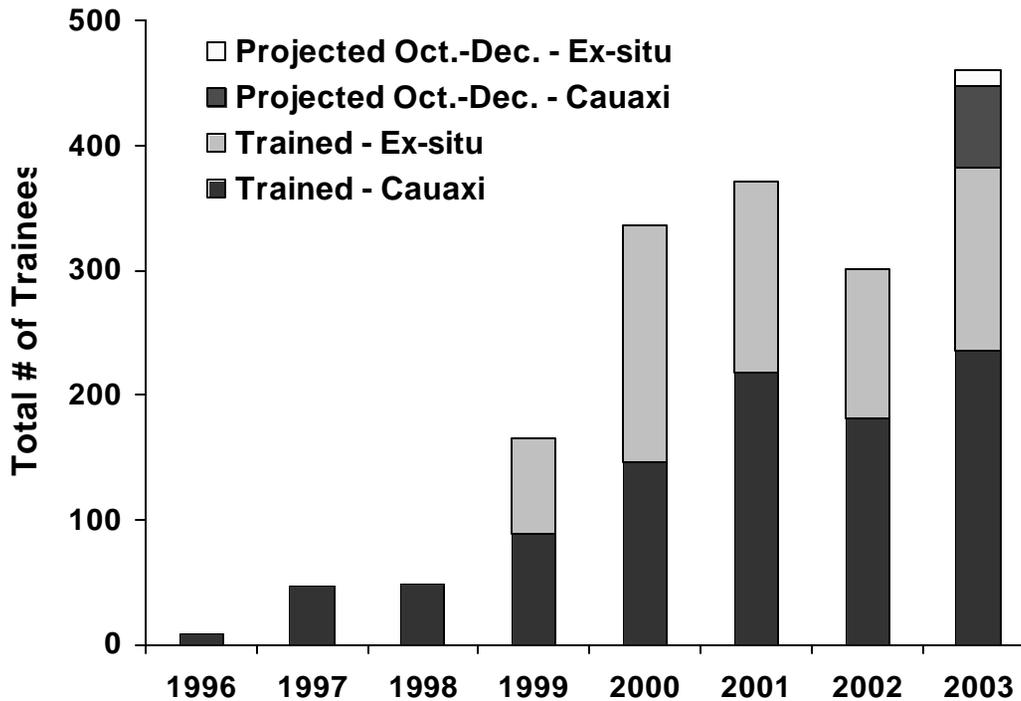
- FFT technicians re-measured the silvicultural experiment initiated by F. Wadsworth (IITF) and subsequently sent the data to Wadsworth who is now analyzing it.
- FFT is in the process of defining specifications for forest infrastructure (including right of way, roads, bridges, culverts, etc.) and will continue this work through 2003-2004.

- FFT/IFT continues to support work done by the LBA research group of Keller and Asner.
- Other studies are highlighted in the April 2003 Semi-Annual report.

IV. **Success Stories** – The April 2003 Semi-Annual report lists several success stories. Several accomplishments FFT made since that report are particularly noteworthy and serve as indicators of the success of FFT’s efforts in Brazil.

- 1) FFT learned that very little training effort can reap huge benefits for typical, medium-sized forestry companies in the Amazon. During a training course at Jurua (near Tailandia), FFT trainers went to a nearby company called Catarinense to offer 3 days of RIL training. The unplanned visit was ostensibly made to see how a typical operation in the Amazon could be affected by basic training in FM-RIL methods. The owner subsequently advised FFT that the 3-day investment had improved his production by 25 times. In fact, the owner was so pleased with the benefits (e.g., much less waste) of the brief training that he wants to send more of his crew for additional training and also prepare to become FSC certified.
- 2) At the World Forestry Congress in Canada (September 2003), ITTO’s representative Eva Muller named FFT’s 1998-99 training project as one of the three best ITTO projects ever. The ITTO president personally conveyed this news to Zweede at the Forestry Congress held in Belem in late September 2003.
- 3) Interest in FM-RIL and demand for FM-RIL training continues to mount across the Amazon. This increasing demand is exemplified by (1) the growing number of requests for training from other Amazon Basin countries including Guyana, Suriname, Peru, and French Guiana; (2) the greater number of courses (28) conducted and people (382) trained during this reporting period than ever before (see graph below); (3) the sustained number of requests for FFT’s training film for operators; and (4) the declaration by several associations of forest industries that human resources must be developed through training for the potential of forestry to contribute to the region’s economy in a socially just and environmentally sound way to be realized (see Appendix 3).

Number of people trained by FFT by year & site (1996-2003)



- 4) About 20 companies across the Amazon (Acre, Mato Grosso, Rondonia, and Para) are going through the process of certification and/or preparing to do so. FFT/IFT is supporting their efforts with training and technical support. The owner of the first company certified in the *Varzea* (floodplain forest) of the Amazon acknowledged during the forestry congress that his attendance to FFT's Decision Makers course made the difference.
- 5) The formal establishment of CENAFLORE by MMA and IBAMA was a major milestone for forestry in the Brazilian Amazon. The network of training sites administered under the

auspices of IBAMA and MMA that the establishment of CENAFLOR entails will greatly facilitate the expansion of FM-RIL training across the Amazon.

V. Staffing List – as noted in April, two people were released to reduce costs. Since then, FFT hired 2 part-time instructors and an additional cook. The remaining staff list is unchanged.

Full-time Personnel:

- 1 administrative manager
- 1 accountant
- 1 administrative assistant and buyer
- 1 operational manager
- 1 forest manager instructor
- 3 senior technician instructors
- 1 junior technician instructor
- 1 graphics and design specialist
- 3 senior operator instructors
- 2 operator instructors
- 1 transport coordinator
- 2 drivers
- 2 cooks

Part-time personnel:

- 1 computer system maintenance specialist
- 1 personnel manager – labor ministry
- 1 office cleaning person
- 1 nurse for (major courses)
- 4 instructors / lecturers
- 1 first aid and workers safety instructor (major courses)
- 4 student trainees (1 from UFRA and 3 from JK Technical School)