



**Environmental Management, Sustainable Forest and Natural Resources
Use in the Alternative Development Program (ADP) Intervention Areas Project**

Project #: 527-A-00-02-00134-00

Reporting Period: January – March 2003

I. Summary of Activity Status and Progress

A. Overview

The primary objective of this project is to achieve permanent sources of income from sustainable forest management and production for families of the project area. Recognition of the forest as a principal source of income will provide more incentive to families to conserve the resource. At the same time this plan will help to protect fragile ecological areas that are being subjected to environmentally degrading farming activities and illegal crop production.

During the reporting period significant new headway has been achieved for the components of the project that involve ecosystem restoration and local government forest management and reforestation. Various degraded tracts of land within the project area have been identified and are being evaluated for prescribed restoration/reforestation activities. Corresponding cartographic needs have been identified and maps have been obtained or created. Coordination activities have been conducted with the pertinent organizations or institutions to establish labor needs and the sources of labor pools to draw from for conducting reforestation.

Assistance to forest concessionaires continues on course, and the majority being assisted have completed 30 to 50% of their forest management plans for 2003. Additional training tailored for the concession owners in business administration for micro-enterprise development has been conducted in Madre de Dios and Ucayali. Comprehensive follow-up training has been completed for all technicians assisting concessionaires in the subjects of Sustainable Forest Management, Annual Forest Operating Plans, and General Forest Operating Plans necessary for completing required implementation and harvest procedures under the forestry concession laws. Additional gains have been made in conveying the importance of Voluntary Forest Certification inspiring seven micro-enterprises to enter into the process.

In the environmental planning and prioritization component which mainly involves computer information technology application, work is advancing in developing primary and secondary biogeographic and biodiversity baseline data maps and GIS layers. The methodology for identifying high conservation value forests (HCVF) has been completed and the identification process has been carried out in the ADP area.

B. Table of General Progress Towards Established Indicators

COMPONENT	INDICATORS	STATUS
Community Forest Management (A)	Forest Productivity Increase – Aguaytia, Central Huallaga	ON-TRACK
Assistance to Forest Concession Implementation (B)	Forest Productivity Increase – Madre de Dios, Ucayali	ON-TRACK
Environmental Education and Awareness Raising (BII)	Awareness of Damage caused by Coca – Aguaytia, Von Humboldt	ON-TRACK
Local Government Reforestation (C)	Vegetation Cover Increase – Upper Watershed Areas	ON-TRACK
Prevention and Mitigation of Environmental Impacts (F)	Vegetation Cover Increase – Selected Degraded Upper Watershed Areas	ON-TRACK

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

II. Description of Site Progress

A. Community Forest Management (A)

Activity Table #1

ACTIVITY No.	ACTIVITY TITLE	STATUS
1	Capacity building and technical support for sustainable forest management and VFC: forest inventory, GFMP, AOP	COMPLETED
-	Census and forest inventory training and development	COMPLETED
2	Support forest micro-enterprise and community-based business development	On-track
3	Forest management plan design and development	On-track
4	Forest certification field scoping	On-track
-	Conduct forest activity rapid assessment	COMPLETED
-	Identify Communities participating in forest management	COMPLETED

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issue

- The region of these planned activities has been subjected to extreme conflicts between coca producers and NGO's involved in coca plant eradication and/or alternative development to coca production during the reporting period. This has prevented or delayed activities from taking place as originally planned.

Summary of Specific Advances in Community Forest Management

- (1)(4) 60 people involved in forest concession micro-enterprises received training in voluntary forest certification with the goal of earning international recognition for managing their concessions sustainably.
- (1) In the department of San Martin, which includes the region of Central Huallaga, WWF has provided support and planning to initiate the concession bidding process by assisting forest micro-enterprises with proposal creation. WWF is assisting 12 micro-enterprises who were successful in winning bids for 12 forest concessions totaling approximately 161,463 hectares.
- (2) A training and technical assistance program in business development and organization has been created and presented to forest micro-enterprise members in the Aguaytia area.
- (2) A system for authorizing credit for the execution of forest censuses for concessionaires in the Aguaytia area has been created.
- (3) Specific training for the concessionaires and forest technicians assisting in the concession process in the Aguaytia region has been completed. The training covered planning and creation of General Forest Management Plans and Annual Forest Operating Plans.

B. Assistance to Forest Concession Implementation (B)

Activity Table #2

ACTIVITY No.	ACTIVITY TITLE	STATUS
Site – Departments of Madre de Dios, Ucayali and Loreto		
-	Support forest concession bidding process technical proposal development	COMPLETED in Madre de Dios and Ucayali
1	Technical assistance to undertake forest inventories and design management plans and annual operating plans	On-track
-	Design of training program in forest management	COMPLETED
2	Business management: development of business plans, training in finance and administration	On-track
3	Revise Forest and Wildlife Law and create and strengthen complementary regulations and forest authority	On-track
-	Design CEDEFOR – the forest sector modernization organization	COMPLETED

4	Support roundtable consensus building dialogues with small scale timber logging associations at the local and regional level	On-track
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Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- The region of Aguaytia in Ucayali has been subjected to extreme conflicts between coca producers and NGO’s involved in coca plant eradication and/or alternative development to coca production during the reporting period. This has prevented or delayed activities from taking place as originally planned.
- In the department of Madre de Dios delays in assistance have occurred due to political manipulations by the proponents of the old 1000 hectare concession process whose influence has now caused an extension of the deadline for their termination.

Summary of Specific Advances in Forest Concession Implementation

- (1) This assistance has continued as normal . During January , February and March, work by the assisting WWF forestry engineers has focused mainly on completing Annual Operating Plans for the current harvest season. Preparations for completing censuses and forest inventories were carried out, which included work plan creation and budget calculations for reaching all the concession areas with the concessionaires present.
- (1) Consultation has been provided to the Amazon Forest Consortium for completing the General Forest Management Plan in an area of 188,000 ha., the Annual Operating Plan in an area of 2950 ha. and the plan for obtaining Forest Certification.
- (2) A training and technical assistance program in business development and organization has been created and presented to forest micro-enterprise members in Madre de Dios and Ucayali
- (2) Selection and negotiations for contracting a financial assistance service for the revolving loan fund mechanism (component of CEDEFOR) has been completed.
- (3)(4) The policy team of WWF continues to evaluate the subscription process of concession contracts and assess how to improve and streamline it. Weekly participation in the National Forest Roundtable discussions provides a forum for influencing policy. Challenging policy struggles have resulted in the last few months due to a concession opposition force headed by congressman Salhuana. The policy team has devised a series of mechanisms for use in the roundtable discussions designed to provide support for the forest concession process. Some of these mechanisms include: local government forests, forest management committees, ownership of timber resources only (excluding land ownership), and improving the basis of the design for the next concession bidding process.

C. Environmental Education and Awareness Raising (C)

Activity Table #3

ACTIVITY No.	ACTIVITY TITLE	STATUS
1	Community based Environmental Education and awareness raising for local community habitat restoration: awareness raising campaign addressing soil degradation due to cultivation of illicit crops and illegal logging in target sites of upper catchments and sub-catchments in the Aguaytia river basin	On-track
-	Local government reforestation: forest conservation and reforestation awareness raising campaign targeting Alto Aguaytia	On-track
2	Sustainable forest management and VFC in Von Humboldt: awareness raising and education campaign addressing Forest Law implementation and VFC and targeting small growers of the Aguaytia Small Timber Loggers Association	On-track
3	Provide EE assistance to training for forest concessions processes and VFC implementation	On-track
-	Community forest management and VFC campaign targeting selected indigenous communities (Cashibocatacaibo and Shipibo-conibo ethnic groups) in Von Humboldt	On-track
4	Provide EE assistance to training in Community Forest Mgmt and VFC	On-track
-	Environmental education in support of conflict resolution in forest resources use	On-track

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- The region of Aguaytia in Ucayali has been subjected to extreme conflicts between coca producers and NGO's involved in coca plant eradication and/or alternative development to coca production during the reporting period. This has prevented or delayed some activities from taking place as originally planned.

Summary of Specific Advances in Environmental Education and Awareness Raising

- (1) A workshop with people in Aucayacu was held to assist in the design of their strategic plan where reforestation/restoration will be the key activity. Present at

the workshop were representatives of farmers and loggers, the mayor's office, the education sector and the local government office of natural resource management.

- (2)(3)(4) Training was provided to 60 people in the Aguaytia area in the process of attaining voluntary forest certification.

D. Local Government Reforestation (C)

Activity Table #4

ACTIVITY No.	ACTIVITY TITLE	STATUS
1	Prioritize and select local governments and target sites	On-track
-	Develop integrated reforestation plans and design and implement reforestation program and environmental awareness program	On-track
-	Support local government establishment and management of nurseries and seedlings in three local government target sites	On-track

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- The region of Aguaytia in Ucayali has been subjected to extreme conflicts between coca producers and NGO's involved in coca plant eradication and/or alternative development to coca production during the reporting period. This has prevented or delayed some activities from taking place as originally planned.
- The forests under the jurisdiction of the government in the Aguaytia area are experiencing an accelerated occupation rate by campesinos.

Summary of Specific Advances in Local Government Reforestation

- (1) Evaluation of cartographic information, previous studies and direct surveys have been conducted to prioritize and define areas for reforestation and establishment of local government forests. In 8 different community localities of the Aguaytia region in the department of Ucayali, 45 different sites for reforestation or management activities have been defined totaling 625.5 hectares.
- (1) Coordination with organizations and related groups for the purpose of communicating and locating forests which may warrant management and reforestation activities. Numerous potential sites were visited in the watersheds of San Alejandro and Aguaytia.
- (1) Specific methodologies for reforestation in the Aguaytia area have been elaborated and documented.

E. Prevention and Mitigation of Environmental Impacts (F)

Activity Table #5

ACTIVITY No.	ACTIVITY TITLE	STATUS
1	Design habitat restoration plan (with the <i>Universidad Nacional Agraria de la Selva – UNAS</i>)	On-track
2	Soil type and erosion analysis in target areas	On-track
-	Habitat restoration program: design and implement habitat restoration and monitoring training program with local communities	Pending
-	Recovery program: Phase1 – implement habitat restoration plots; Phase 2 – develop and implement a habitat restoration monitoring system for restoration plots; Phase 3 – strengthen habitat restoration plots with additional vegetation cover and promote transitional vegetation cover	Pending

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- These activities finally started in mid March. The uprising of coca leaf farmers caused the delay. They took over the cities of Aguaytia, and Tingo María demanding that NGO's and Government Organizations related to coca eradication vacate the area. Negotiations with government officials has reduced the tension and has allowed the start up of the planned activities.

Summary of Specific Advances in Prevention and Mitigation of Environmental Impacts

- (1) Contracts have been signed and work plans initiated with the *Universidad Nacional Agraria de la Selva – UNAS*
- (1) We have identified the first two project activity areas: a) Tingo María National Park and its buffer zone and b) The headwaters between the Pendencia and the Pacay rivers; both rivers lay within the buffer zone of the Cordillera Azul National Park. We are still searching for a third intervention area.
- (1, 2) In such areas we are identifying sites to establish the rehabilitation plots and initiating the evaluation of soil and vegetation conditions compared to those found in the reference areas. The reference areas are adjacent forests believed to represent the current state of degraded areas.
- (1) A training program has been launched to build up local capacity among students at the *Universidad Nacional Agraria de la Selva – UNAS* in the design, execution and monitoring of restoration activities. Later in the development of the project we will carry out a training program directed at local community members.

F. Environmental Planning and Prioritization

Activity Table #6

ACTIVITY No.	ACTIVITY TITLE	STATUS
-	Identify, select and develop grant for the NGO responsible for Landscape and Land Use change analysis (WWF)	COMPLETED
-	Develop a biogeographic and cartographic database and gather, systematize and synthesize cartographic data (CDC)	COMPLETED
1	Design GIS and analyze and interpret satellite images (CDC)	On-track
2	Develop vegetation map description, analysis and geo-referencing (CDC)	On-track
3	Develop methodological proposal for the identification of High Conservation Value Forests (HCVF) (CDC)	On-track
4	Coordinate workshop to define criteria for selecting areas of HCVF (CDC/WWF)	On-track
5	Facilitate identification, prioritization and analysis through a conservation status assessment of remaining blocks of HCVF's, river basins and sub river basins for conservation within the context of the ADP (CDC)	On-track
-	Land use change patterns: time series analysis and methodological proposal (CDC)	On-track
-	Develop and submit ecological and environmental zoning (EEZ) proposal for land and natural resources use zoning in identified priority sub-catchments, and submit final report (CDC)	On-track
-	Threats analysis and terms of reference for restoration and mitigation of environmental service's degradation, soil erosion and siltation assessment in selected sub-catchments (WWF)	On-track

-	Analysis of road improvement and anthropogenic pressure impact on forest cover and hydrological cycles in the ADP area (CDC)	Pending
-	Deforestation and forest fragmentation analysis, and workshop to validate findings and results (CDC)	Pending
-	Ecosystems Alterations: impact assessment of rehabilitated roads and Final Report	Pending

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- A decision was made by program officials to modify the boundaries of the ADP region to include part of the high watershed of Huallaga that had been left out. Because of this change some of the analysis for determining areas of HCVF's required repeating which has delayed progress to a certain extent.

Summary of Specific Advances in Environmental Planning and Prioritization

- (1) Mosaic Landsat satellite images of the ADP area have been finished for the years 1986, 1995 and 2000.
- (2) A political map of the Alternative Development Program (ADP) area has been finalized with adjustments that include additional forest cover considered important for conservation purposes and watershed protection.
- (5) Geo-referencing of databases and GIS data layers have been completed for political maps, hydro-geological maps, maps of native communities' territories, and topographical maps with 200 mt. intervals.
- (3) Methodology proposal completed for the identification of HCVF's.
- (3)(5) Criteria defined for the selection process of those High Conservation Value Forests that are going to receive more detailed analysis.
- The identification process for HCVF's has been completed but the process will be repeated due to changes in the boundaries.
- (4) A workshop was held by CDC in February to provide instructions for determining HCVF's.

G. Institutional Strengthening and Capacity Building

Activity Table #6

ACTIVITY No.	ACTIVITY TITLE	STATUS
-	Design and implement a priority roads database	Pending
-	Design and distribute regulations and guide for Environmental Impact Assessments	Pending

-	Training and environmental awareness raising planning and workshops for Ministry of Transportation & Communications specialists and staff	Pending
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Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

Key Management Issues

- Organization for these activities commences after the reporting period