



Project #: 527-A-00-03-00073-00
Reporting Period: April – June 2004¹
SO13

I. Summary of Activity Status and Progress

a. *Introductory paragraph*

In response to a request by a concessionaire, WWF-PPO provided support for two operatives to combat illegal logging. Specifically, the concessionaire requested WWF-PPO's support in order to verify the precise area from where the timber was being extracted. WWF-PPO, in close coordination with local partners, continues to employ local communities in the maintenance of reforestation plots as part of the Von Humboldt Green Belt. More than nine kilometers were maintained during this report period. To accompany field work, capacity building in the form of workshops has been organized before each activity, inviting participants from the local communities involved in the eradication of coca. Regarding the small-loan financial service, WWF-PPO provided support for the approval and disbursement of a loan of USD 75,000 to a concessionaire.

b. *Highlights*

- During the reporting period, a total of **3320 temporary labor days** were utilized in the implementation of activities in the forest concessions, Green Belt maintenance and secondary forest management. This temporary labor directly benefits communities with signed agreements to eradicate coca crops.
- During this period, the concessionaire Forest World Green Peru formalized a contract with the enterprise GEA, and subsequently received a loan from the Caja Rural de San Martin (CRSM) of **USD 75,000** to cover labor capital costs as well as the purchase of a caterpillar tractor and truck. WWF-PPO provided technical support in the **elaboration of a business plan** required by the CRSM.
- In terms of agroforestry systems, a **total of 81 plots** have been installed in **farms in 09 communities** in the districts of Irazola, Padre Abad and Curimana. These activities directly **employed 295 local residents**.

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➤ *c. Table of Activity Status*

Activity Number	Activity Title	Status	Page number for more information
1	Sustainable Forest Management in the Von Humboldt Forest Concessions: full forest inventories (100%), implementation of forest management plans, and forest roads	On-track	3
2	Buffer Zone Primary Forest Protection: the Von Humboldt Green Belt ("Franja Verde")	On-track	5
3	Community-based Secondary Forest Management, Agroforestry Systems and Local Forests	On-track	6
4	Von Humboldt-Aguaytía Small Loan Financial Service	On-track	7

II. Detailed Description of Site Progress

a. Key short and long-term program objectives for the site.

This project aims to achieve the following key objectives:

1. Prevent and mitigate coca cultivation within forest concessions located in Von Humboldt permanent production forest and their influence areas.
2. Create alternate income sources and employment opportunities not dependent on the illicit production of coca or illegal logging. Sustainable timber or agroforestry production must become viable economic alternatives and create enough incentive for coca producers and illegal loggers to voluntarily stop their current practices.
3. Contribute to the conservation of primary forest in the Von Humboldt permanent production forests and stabilize deforestation and soil degradation caused by migratory slash-and-burn agriculture in secondary forests in the area.
4. Support the improvement of forest control systems and reduce illegal logging in the province of Padre Abad.
5. Provide training and comprehensive instruction to key players in the pilot project area regarding all critical facets of forest product businesses and sustainable forest management, based on FSC principals and criteria.
6. Facilitate resource poor farmer and micro-enterprise access to short-term capital in the form of revolving funds in order to support their transition to modernized systems of forest use and to support long-term, sustainable business activities that do not rely on illicit coca production or illegal logging.

b. Activity Description

i. Activity Title : Sustainable Forest Management in the Von Humboldt Forest Concessions: full forest inventories (100%), implementation of forest management plans, and forest roads

ii. Summary of major achievements and progress

- During this report period, INRENA returned its observations of the General Forest Management Plans (GFMP) and Annual Operating Plans (AOP) of the concessions EFASAC, World Green Peru (PWGP), Consorcio Fine Forest and Von Humboldt Forest. WWF-PPO is assisting in making the required revisions in order that the plans can receive final approval from the state agency.
- During this reporting period, forest enterprises World Green Peru and EFASAC mobilized timber from the first Annual Harvest Area. A total of 1,085 cubic meters was mobilized and sold for a value of USD 275,160. Through their forest harvest activities, EFASAC and PWGP were successful in complying with their contract with the GEA enterprise in Pucallpa.
- Forest access roads are necessary infrastructure in order to harvest timber. While WWF-PPO does not directly build access roads, it does facilitate technical assistance in order that the concessionaire complies with sustainable forest management practices. Furthermore, the Forest Stewardship Council (FSC) also has explicit guidelines on access road construction and maintenance. In the EFASAC concession, a 7.25 km stretch of secondary access roads was constructed in the second annual harvesting area. Recently, EFASAC performed maintenance of the concession access road that was impacted from the rainy season.
- WWF-PPO continues implementing capacity building activities for forest concessionaires as well as field personnel as needed. Training workshops have been organized before each field activity, benefiting 44 workers from the communities. To raise awareness, a brochure directed to the general public was elaborated to inform the population on the current forest code in the province of Padre Abad. This document was developed based on the most frequent questions, and utilizes simple language so that it can be understood by the entire population. The informational brochure is currently under revision.
- During this period, PWGP formalized a contract with GEA. WWF-PPO provided critical technical support to complement the business arrangement, assisting the concessionaire in the development of a business plan. With these products, he requested and was approved for a loan from the Caja Rural de San Martin (CRSM). The much needed capital will cover the purchase of a caterpillar tractor, a truck and labor capital costs.
- WWF-PPO financed two operatives to combat illegal logging, in response to a request from Von Humboldt Forest enterprise. Specifically, the concessionaire requested WWF-PPO's support in order to verify the precise area from where the timber was being extracted. A report containing this information was submitted to WWF-PPO office in Lima as well as to the concessionaire.

iii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
1.1	100% Forest Inventories 2003	
1.1.1	Development and implementation of participatory planning process for forest inventories	Completed
1.1.2	Forest brigades implement preliminary field work for forest inventories	Completed
1.1.3	Data collected and processed, cartographic information developed and georeferencing complete	Completed
1.1.4	Annual Operating Plans submitted to INRENA and approved	On-track
1.2	Development and Implementation of Forest Management Plans	
1.2.1	Forest Management Plans designed in a participatory manner	Completed
1.2.2	Forest harvest carried out according to low impact practices	On-track
1.2.3	Environmental impact mitigation plan developed	On-track
1.2.4	Establishment and implementation of three control posts in Von Humboldt permanent production forests, in close collaboration with INRENA	On-track
1.2.5	Forest Management Plans submitted to INRENA and approved	On-track
1.3	Forest Road Network	
1.3.1	Design of forest road network and improvement of key access ways and skid trails	On-track
1.3.2	Development and implementation of monitoring and evaluation system to measure the effectiveness of mitigation measures for forest roads, based on environmental impact mitigation plan	On-track

iv. Key management issues

During this period, the implementation of activities was interrupted because of strikes and road blocking activities carried out by coca leaf growers. At times, due to volatile social developments, field activities in some areas had to be temporarily suspended until the situation stabilized. Nevertheless, advances within various components have taken place. Additionally, specific work has been developed in the region's offices in order to program the next year's field activities for the project.

In spite of illegal logging activities in neighboring areas which have been addressed by WWF-PPO-financed illegal logging operatives, this report period has seen advances in timber mobilization, during which forest enterprises PWGP, EFSAC and Von-Humboldt have been able to mobilize timber from their concessions.

i. Activity Title : Buffer Zone Primary Forest Protection: the Von Humboldt Green Belt ("Franja Verde")

ii. Summary of major achievements and progress

- During this period, Von Humboldt Green Belt activities have mainly constituted maintenance of previously installed plantations in the San Alejandro and Aguaytía watersheds. A total of 9.27 km were maintained during the report period, where technicians planted a cover crop to mitigate the risk of soil erosion and maintain soil humidity around the new seedlings. Additionally, an analysis of the on-site limits of Permanent Production Forests was supported by WWF-PPO in the province of Padre Abad.
- WWF-PPO facilitated the establishment of the executive committee for the Forest Management Committee in the Aguaytía watershed, expecting to include the mayor of Aguaytía, representatives of concessionaires, communities and INRENA.
- The executive committee for the Forest Management Committee in San Alejandro was also formed during this report period. It is currently in the process of elaborating its statutes as well as its registration requirements to be submitted to the Public Registry. Furthermore, awareness has also been raised amongst forest users regarding the regulations that govern timber extraction from private properties.

iii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status
2.1	Land Tenure Conflict Resolution and Boundary Demarcation Carried Out in the Forest Concessions	
2.1.1	Participatory demarcation of the “Green Belt”, verification in the field, and INRENA approval secured	On-track
2.1.2	Data collected regarding land tenure claims and legal rights, including field verification, and legal processes completed to resolve conflicts	On-track
2.2	Institution of Forest Management Committees and Participatory Forest Management	
2.2.1	Establishment of Forest Management Committee for the Aguaytía River Basin, consisting of forest concessionaires and relevant local players	On-track
2.2.2	Implementation of a capacity building program directed towards grassroots community groups	On-track
2.3	Implementation of Reforestation Program	
2.3.1	Design and implementation of reforestation and management program in the buffer zone, in collaboration with forest management committees and other local players	On-track
2.3.2	Implementation of capacity building workshops necessary for reforestation program implementation	On-track

iv. Key management issues

WWF-PPO successfully installed the Green Belt in all communities that have signed agreements to eradicate coca. Unfortunately in the field, there are consequences for restricting the beneficiaries to these communities. Interspersed among communities with agreements are those that are not participating in the DEVIDA eradication program but wish to participate in the Green Belt reforestation activities. Their forced exclusion has resulted in a Green Belt with gaps, and in some cases, increased social tension towards WWF-PPO personnel and project beneficiaries.

i. Activity Title : Community-based Secondary Forest Management, Agroforestry Systems and Local Forests

ii. Summary of major achievements and progress

- During this report period, an additional 81 agroforestry plots were established in the Irazola and Padre Abad districts, with the use of the fast-growing *bolaina* and *pijuayo* tree species. The implementation of agroforestry techniques provides small scale farmers with various benefits. For example, it improves soil health and quality, increasing its production potential for other crops. Furthermore, the installation of the above-mentioned tree species in agricultural plots offers an alternative additional income source for resource-poor farmers. As noted, the species are fast growing and have a pre-established market.
- During this report period, WWF-PPO provided technical assistance in the elaboration of inventories for the Tangarana local forests (250 hectares) and Hidayacu local forests (500 hectares), and is in the process of offering assistance in the development of the respective General Forest Management Plans and Annual Operating Plans.
- A reforestation concession of 800 ha has been identified and georeferenced during this period in the Nuevo Huánuco community, in the district of Irazola, that will benefit 20 families. In the district of Padre Abad, public awareness raising by means of community meetings about reforestation concessions has taken place in 05 communities.
- In an effort to facilitate forest management of private properties in the Irazola district, inventories for 06 forest harvesting permits were elaborated and presented to INRENA for approval. Additional detailed forest inventories for 04 new plots in the Irazola area and 02 in the district of Padre Abad are being processed for their presentation to INRENA. Habitants of Río Negro, Tangarana, Micaela Bastidas, and other communities are becoming aware of this way of access to the forests, for which WWF-PPO has identified 19 beneficiaries.

iii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status*
3.1	Development of detailed vegetation cover, forest potential, and land use change characterizations and analyses for the project area most impacted by coca cultivation	On-track

3.2	Secondary forest and agroforestry systems management	
3.2.1	Design of long-term forest development plan for the San Alejandro and Aguaytía area, which considers land use planning, necessary services for the area, and potential local markets	Pending
3.2.2	Implementation of forest inventories, forest harvest using improved infrastructure, and reforestation plan	On-track
3.3	Local Forest Management	
3.3.1	Local forest target sites identified, selected, and verified in the field	Complete
3.3.2	Development and implementation of training and awareness raising strategies targeting local communities and governments	On-track
3.3.3	Forest Management Plans developed, approved by INRENA, and implemented in local forests	On-track

iv. Key management issues

Among the challenges of implementing effectively this component of the project, the communities are not experienced in managing their forest resources in a formalized manner. Through this component, WWF-PPO and its partners in the field aim to raise awareness among the local communities of how to benefit from the natural resources through sustainable use. It also provides communities with a significant alternative source of income, offering them incentive to conserve forests.

i. Activity Title: Von Humboldt-Aguaytía Small Loan Financial Service

ii. Summary of major achievements and progress

- Developed by WWF-PPO in close collaboration with the Caja Rural de San Martín (CRSM), the financial services mechanism continues in implementation. During the report period, WWF-PPO provided support for the approval and disbursement of a loan of USD 75,000 to a concessionaire.

iii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status*
4.1	Design and Implementation of Small Loan Financial Service Mechanism	
4.1.1	Design of participatory small loan financial service mechanism, including financial sustainability plan	Complete
4.1.2	Promotion and establishment of small loan financial	On-track

	service	
4.2	Monitoring and Supervision of Small Loan Financial Service	
4.2.1	Design and implementation of monitoring and supervision system	On-track
4.2.2	Design and implementation of training plan in support of credit system	On-track

iv. Key management issues

The implementation of the financial services mechanism is on-track.

III. Success Stories and Other Appendices

When appropriate and possible, include one or more one-page success stories appropriate for public dissemination.