

# QUARTERLY REPORT

## OCTOBER - DECEMBER 2006

---

PERU ALTERNATIVE DEVELOPMENT PROJECT

CONTRACT N° 527-C-00-04-00043-00



**USAID** | **PERU**  
FROM THE AMERICAN PEOPLE

**PDA**  
PROGRAMA  
DESARROLLO  
ALTERNATIVO

**January 2006**

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

## CHAPTER I: CONTEXT AND CHALLENGES

### A. Introduction

Throughout the course of development of PDA activities, it is important to constantly analyze the context in which these are being carried out and examine the way in which the challenges affecting security are being addressed. In this context, the program takes action to monitor security in PDA's areas of intervention; prevent risk situations that could potentially affect regional activities; provide information on the political, social, subversive and delinquent situation of the area in order to support PDAP decision-making and offer ongoing preventive security training to all staff. The next few paragraphs analyze the general framework for the October – December 2006 quarter and the situational conditions of the coca basins found in PDA's areas of intervention.

### B. General Situation during the Quarter

In the IV Quarter of 2006, the Sendero Luminoso terrorist organization staged a violent, forceful and large-scale attack in the locality of Machente – San Francisco, just a few days before Christmas. Their target was a police patrol car and the outcome was 5 policemen and 3 civilians dead. Terrorists were reported to be seen moving around in the areas of Nuevo Progreso (Tocache – San Martín) on one occasion, and along some of the roads within the VRAE (on various occasions). Interdiction activities undertaken by the Huallaga Police Front continue to be effective in this anti-terrorist fight. A number of terrorists related to Cojo Gerson and his group have also been captured in the area of San Martín, thanks to the information provided by terrorists who have already been arrested.

A few disturbances followed in the wake of the municipal and regional elections in some communities, protesting against the election results. All uprisings were effectively controlled by the PNP. There were also a number of demands accusing the Special Election Board of fraud as well as some protests against the PDA and in support of the coca-growers, organized by some of the newly elected mayors.

Towards the end of the IV Quarter, rainfall in the areas of Tingo Maria, Tocache and San Martín (Alto and Bajo Huallaga) suddenly became very heavy, causing floods in the towns and blocking off the roads running from Tingo Maria de Tarapoto.

Common delinquency activities have decreased considerably. A number of delinquents were arrested thanks to intensified police and rural peasant patrols. The PNP carried out anti-drug activities along the roads, confiscating cocaine and cocaine, and organized active intervention operations to confiscate drugs from small-scale cocaine, cocaine paste and marijuana distributors in the outskirts of the towns.

The Peruvian government extended the State of Emergency to February 20, 2007. During the period that this has been in force in 6 provinces of Huánuco, San Martín and Ucayali, the police, supported by the armed forces, have controlled the main access routes and staged random interventions in areas known for hosting terrorists.

PDA workers have been able to carry out their field work normally in all of the regions except Tocache where three (3) were attacked by *comuneros* opposing the PDA. They were accused before the local authorities.

## **C. Situational Analysis of the Coca Basins**

### **C1. Regional Office of Ucayali**

- **Socio-Political Situation**

Regional elections were held and Dr. Jorge Velásquez Portocarrero was elected as the new Regional President for Ucayali. Portocarrero belongs to the independent political party known as “Integrando Ucayali,” and once formally in office, openly opposed the PDA. The reelected elected Mayor for the Province of Coronel Portillo (Capital of Ucayali) is Mr. Luis Valdez Villacorta who is being processed for the murder of a reporter and for having close ties with narcotraffickers.

The political movement “Integrando Ucayali” won the elections in the Province of Padre Abad (Tony Tang Gonzales), in the district of Curimaná (Loiber Rocha Pinedo), and in the district of Irazola (Manuel Gambini Rupay). Upon coming into office, Mr. Gambini Rupay declared the Municipality of Irazola to be in a state of emergency, as a counter-reaction against the accomplishment of the previous Mayor, Jorge Velarde Perez who had co-executed a number of infrastructure projects together with the PDA. In their public speeches, the new authorities who belong to the “Integrando Ucayali” political movement, have gone to great lengths to come across as clearly anti-PDA, in an effort to please the coca-growers.

There have also been a series of protest marches organized by public organizations who have no affiliation to the coca-grower organizations, and who have preferred to maintain a low profile during the reporting period.

- **Subversive Situation**

Although there are no reports of terrorist activity during the IV Quarter in this area, this does not mean that there are no terrorists in PDA’s target areas. To the best of our understanding, they are currently engaged in reorganizing themselves and indoctrinating new recruits.

- **Situation of Common Delinquency**

The “Zero Tolerance Plan” was begun this Quarter as a joint PNP – Ministry of Transport and Communications effort aimed at enforcing law and order along the highways. Their main task is to halt delinquent activities and to stop all wood, fuel and live- species trafficking, all of which are highly common illegal activities in this part of the country. The continuation of the “Police on Board” operation has been instrumental in significantly cutting back the number of attacks targeted at interprovincial buses, as these have reduced significantly compared to the number of assaults reported in the first quarter of 2006. Highway robbers have now diverted their targets to smaller vehicles traveling late at night. There is still a relatively high incidence of delinquent activity in the urban area of Pucallpa, putting society in general at risk.

- **Situation of Narcotrafficking**

The Antinarcotics Police carried out a series of intervention operations in Pucallpa’s city center and in the peripheral settlements, confiscating cocaine paste from small-scale distributors. No large-scale interventions were reported. Of all PDA’s target areas

located in Ucayali, the most problematic area in terms of narcotrafficking is Yuyapichis, in the Province of Puerto Inca.

## **C2. Regional Office of San Martín**

- **Socio-Political Situation**

In Juanjui, a group of people took over the municipal building, causing concern among the local population. The Republican Comptroller took control and put a stop to this situation. The regional and municipal election campaigns brought a number of political leaders belonging to different parties (UPP, APRA, SI CUMPLE) to San Martín. They visited different parts of the San Martín Region campaigning to support their local candidates. In San Martín, the political party that won the Regional Presidency and moreover obtained the majority of municipal mayors was Nueva Amazonía (an independent political movement).

PDA signatory members living in the communities located in the district of Pajarillo, are concerned about the recent formation of a coca-producers association similar to that of the District of Pólvora (“Saúl Guevara Díaz”). This new organization promotes coca-farming and encourages farmers to plant coca in this area of the Province of Mariscal Cáceres.

- **Subversive Situation**

Following the arrest of “El Cojo Gerson”, the DIVCOTE in Tarapoto has been able to make more arrests. Some of the newly arrested terrorists include Segundo Calvino Saboya Fasabi © “Diablo”, Hugner Amasifuen Pisco © “Volcán”, Juan Chujutalli Ipanama © Pablito and Juanito Ceopa Ceopa © “Loquis”. The DIVCOTE has managed to obtain a more complete list of terrorists from these individuals so it is only a matter of time until more are captured.

- **Situation of Common Delinquency**

Highway robberies along the FBT highway (Juanjui – Tarapoto – Yurimaguas section) continue to be an everyday occurrence. Moreover, the number of assaults have increased significantly in the urban area of Tarapoto, compared to the previous quarter. One such assault took place a block away from the Plaza de Armas. On this occasion, the thieves robbed two shops simultaneously, running away with approximately half a million soles. On the other hand, the PNP was successful in capturing major gangs dedicated to thievery and trading firearms, who operated in the area of Bellavista, Saposoa and Juanjui.

- **Situation of Narcotrafficking**

The PNP’s Antinarcotics Division arrested a Peruvian citizen and a Colombian citizen in possession of a considerable amount of cocaine paste. They were planning to send it to the north coast of Peru and Colombia. In all, the PNP confiscated 31.5 kg of cocaine paste, uncovering the presence and active operation of organized mafias of narcotraffickers in this part of San Martín. Intervention activities targeted at the homes of individuals engaged in the small-scale distribution of cocaine paste also produced good results.

### **C3. VRAE Office**

- **Socio-Political Situation**

In this jurisdiction the municipal and regional elections resulted in victory for Eng. Ernesto Molina Chávez (of the MIRE - Movimiento Independiente Innovación Regional) as Regional President of Ayacucho and Mr. Eduardo Claudio Urbano Méndez (Kuska Tarpuy) as Mayor of San Francisco. After assuming his post, Mr. Urbano Méndez became clearly hostile towards the PDA.

The “Kuska Tarpuy” political movement won the elections in most of the areas lying on the left bank of the VRAE. This means that the Mayor for the district of Sivia is now Alejandro Gutiérrez Escadillo, secretary general of FEPA VRAE; the Mayor for the district of Santa Rosa is Mr. Telesforo Ochoa Tabuada; the Mayor for the district of Llohegua is Mr. Pedro López Carvajal and the Mayor for Anco La Mar is Mr. Wilder Manyavilca. All these people belong to Kuska Tarpuy and are openly pro-coca-farming. On the other hand, the Ministry of Defense has announced that as of January 1, 2007 it shall be establishing a Military Base in Pichari under the leadership of a recently promoted Brigadier General.

- **Subversive Situation**

Sendero Luminoso terrorists have resumed activities as a means of bringing attention to themselves. They have been moving around different areas within the VRAE, even entering into some of the communities and smaller towns. On Saturday December 16, in an effort to make their presence felt and replenish their provision of firearms and ammunition, they sprung an ambush against a police vehicle, killing 5 members of the Police Antinarcotics Group, two ENACO workers and a local civilian. This occurred on the road from Machente to San Francisco, at a location known as “Oparo,” five minutes away from Machente, in the Apurimac river valley.

- **Situation of Common Delinquency**

No major incidents related to delinquency were reported for this period. We had expected the possibility of some sort of action after the vendetta that took place between common delinquents a few months ago in the town of Paterine in Monterrico, but fortunately this did not occur. The self-defense committees have reorganized themselves internally and now patrol the communities on foot. This is perhaps why there has been less delinquent activity this quarter.

- **Situation of Narcotrafficking**

In the VRAE coca basin, narcotrafficking has regained strength during the course of the past three months, despite the interdiction efforts carried out by the Police. Narcotraffickers in the VRAE have adopted new methods and use different routes to transport drugs, so as to avoid having to pass through the police check-points posted in the area. This is the situation now, and is the result of months of ineffective police control and deficient interdiction efforts which have not been able to stop “burriers” from exporting these drugs, destroy cocaine paste laboratories and control the influx of chemicals required to process the drugs in the Ene region.

#### **C4. Regional Office of San Martín**

- **Socio-Political Situation**

The Partido del Frente Amplio Regional (FARE) was the winner of the regional and municipal elections in San Martín. Jorge Espinosa Egoavil was elected Regional President and Juan Picón Quedo was elected Mayor. Ibúrcio Morales Baltazar was elected district Mayor of Monzón. The latter is a major figure representing coca-farmers in this district and in his first public speech said that he would defend the coca leaf against any sort of forced or voluntary eradication. No forceful action by the coca-growers sector was reported this quarter, and this would appear to suggest that in general, coca-producer associations have their differences. The continuous rains recorded towards the end of the year caused the Huallaga River to flood, causing major problems in the city of Tingo María. However, the areas most affected by these floods were the villages located on the left margin of the river in the area of Aucayacu where PDA-promoted crops of cacao and citric fruits suffered damage.

In Aguaytía, municipal elections resulted in victory for Tony Tang. This outcome caused the coca producers to denounce fraud, but after revising the voting certificates Tang was reaffirmed as Mayor of the Province of Padre Abad for the period 2007-2011. Flavio Sánchez Moreno, leader of the AAAPHCPPA, came in second. No manifestations have been reported for this Quarter.

- **Subversive Situation**

Sendero Luminoso terrorists have had a low profile in this valley during the reporting quarter. It is presumed that they are reorganizing their internal structures in the Huallaga area. The Huallaga Police Front patrolled the area permanently so as to reduce the chance of being ambushed. They had received inside information that this was a latent possibility, particularly in the area of Aucayacu, the check-point at Santa Lucia, and along the Tingo María – Monzón highway. There were a couple of murders reported in Aucayacu and in the Monzón valley, but according the specialized staff, was not attributed to SL but rather to a local vendetta.

Perhaps the most notable incident reported in this area, was the filming of a video on December 11, 12 and 13 in the village of Azul Magdalena near the city of Aucayacu. The footage showed comrade © Artemio training about 60 individuals to use long-range firearms. The video also contains threats against the central government in the sense that if it does not concede them a political solution for their demands, the armed faction of Peru's Communist Party will continue its armed struggle.

On the other hand, in the Province of Padre Abad, remaining SL terrorists have been reduced to the bare minimum. No reports of agitation, propaganda or movement of armed groups have been reported. An alleged terrorist was arrested in November. He was suspected of taking part in the ambush against a group of marines in 1991, in the area known as Leche Vinagre. He was eventually released since the police investigations and inquiries of the Provincial Prosecutor could not produce sufficient evidence to charge him.

- **Situation of Common Delinquency**

Common delinquency was significantly reduced this Quarter thanks to the PNP's continuous operations in the entire region, but especially along the Aucayacu-Tingo María-Aguaytía and Tingo María-Huanuco roads.

- **Situation of Narcotrafficking**

The narcotrafficking 'firms' opted to ship out their drugs in smaller volumes, using individual people. This is especially true for the export of drugs from Tingo María to Lima. The people carrying the drugs mainly traveled by bus, and the favorite bus agencies used were: Bahía Continental, León de Huanuco, Transmar and Etposa. Interdiction measures were suspended in mid-December. The last interdiction activities undertaken by DINANDRO- Tingo María, targeted maceration pits in the Monzón valley. Their action was effective in that it significantly reduced the shipments of cocaine paste via the normal routes, forcing the 'firms' to resort to other ways or exporting their drugs to avoid police control. Coca-crop eradication activities have not been resumed to date.

## **C5. Regional Office of Tocache**

- **Socio-Political Situation**

There were a few inter political party fights reported during the municipal and regional elections, as well as irregular coca-grower registrations. After the elections, the inhabitants of Progreso took over the municipal building claiming alleged fraud. An evaluation committee was immediately formed and after revising the situation, took action to put an end to it. The political group of Nueva Amazonia was voted in four of the five districts. The APRA won in Progreso. On October 25, three PDA workers were attacked by PDA opposers in the community of Tiesto, District of Tocache. They were stripped of their belongings and the car they were traveling in also suffered damage. CORAH resumed its eradication activities but they met with opposition from the local inhabitants who were organized and waiting to attack them.

Heavy rainfall affected the area at the beginning of November, causing landslides on the road running between Tocache and Tingo Maria. The rains continued relentlessly and by the end of December the Huallaga River flooded a number of areas in the Province of Tocache, causing people to lose their homes, materials, animals and crops. A state of emergency was declared until receiving government aid. There are still some affected groups of people living in the cultural center and in IE 0414 (a state school), where they receive food and lodging.

- **Subversive Situation**

We have received information reporting the movement of a group of fifteen (15) SL terrorists, including one woman, who are meeting with people living in the communities of Alto Uchiza, Alto Colombia, San Pedro, Buenos Aires and other nearby villages. There is absolutely no police presence in this area. At the end of October, we were able to recover firearms, ammunition, radios and other supplies in a place known as "Tigrillo" in the CPM of Santa Cruz, District of Progreso. No arrests were made. A

source of concern was the disappearance of Eng. Roldan Daza, who was employed by PRODATU. We are tempted to think that SL had something to do with his disappearance.

- **Situation of Common Delinquency**

Common delinquency appears to have subsided somewhat in the city of Tocache but there has been a notable rise in delinquent activity along the FBT highway, particularly along the Tocache - Tingo Maria stretch. Another location preferred by delinquents to assault traffic (on the Tocache-Juanjui road) is the place known as “Curva del Diablo,” where there have even been cases of rape. One of the PNP’s major concerns are the youth gangs, who, taking advantage of the festivities being held to celebrate the anniversary of Tocache, staged pitched battles on the main roads and disrupted public gatherings.

- **Situation of Narcotrafficking**

Narcotrafficking is evident in the district of Polvora, particularly in Pizana and Santa Rosa de Mishollo from where drugs are shipped to Janjui and Tarapoto. While conducting its eradication activities, CORAH detected 5 abandoned maceration pits in Uchiza. These were destroyed.

#### **D. Lessons Learned**

- We must maintain and improve communications with the different work areas within the company.
- It is important to follow-up the complaints and claims made by the communities affiliated to the program in order to improve the security processes.
- We should aim at establishing a close relationship with the authorities and farmers in the communities, in order to obtain relevant information and thus ensure better security.
- PDA staff’s field activities should be closely coordinated to reduce any chance of risk.
- Security efforts transcend the limits of the Regional Offices which means that we must coordinate security on an inter-office basis. This is the only way that we will be able to reinforce security while our workers are traveling to and working in the field.

#### **E. Work Plan**

- Permanently review and update the security Action Plans in order to respond effectively to any situation of risk in each of the regional offices.
- Visit the Regional Offices regularly to collect information, and review and correct PDA policies and norms on security.
- Train PDA workers on the new procedures and security policies in line with the Emergency Plan.

- To carry out more frequent interviews with our sources of information in the more critical zones (Tingo Maria, Tocache and Aguaytia), with the objective of updating information related to situations and to issue opportune recommendations for decision-making.

#### **F. Recommendations**

- Coordinate security activities with other security areas inside and outside the company (USAID partners), to better execute security plans.
- Share information on regional situations with other security areas outside the company (USAID partners), to improve the decision-making process for PDA activities.
- Carry out regular security workshops with the participation of security coordinators of the regional offices to exchange experiences and correct field security activities.

#### **G. Constraints**

- Lack of initiative on the part of the Peruvian State (PNP and Armed Forces) to create a secure environment in certain parts of the regions (areas with prevailing SL presence) for the effective deployment of PDA activities.

#### **H. Next Steps**

- Reinforce the communications network in the regional offices in order to obtain quick, direct and accurate information.
- Carry out frequent visits and inspections to regional offices.

#### **Outlook for the Future**

- It may not be possible to complete the field activities or they might have to be eliminated from the program altogether (very suddenly in some cases) if the newly elected authorities who are currently in office, get violent and insist on opposing our work.
- The execution of PDA's Strategic Plan still hinges upon Sendero Luminoso changing its anti-PDA sentiment, which also affects local PDA workers. As we see it, it will only be feasible for us to continue our work if the State of Emergency continues to be effective in the region so that the Huallaga Police Front and the PNP can continue to search for the main Sendero leader who still runs free. If the State of Emergency is eventually lifted, interdiction and drug control activities must be maintained regularly.
- The absence of the State in distant and isolated places makes it easy for SL to reorganize its internal structures. This restricts the development of PDA activities and its capacity to fulfill the commitments assumed during 2005-2006. In this respect, the outlook for PDA staff for the upcoming months has the potential to be characterized by insecurity.

## CHAPTER II: SOCIALIZATION

Efforts were concentrated on meeting the goals for the IV Quarter of calendar year 2006 (October - December 2006) and the I Quarter of fiscal year 2006 - 2007 (October - December 2006). All the work was coordinated with CADA, the local authorities and the municipalities.

In spite of the sociopolitical situation (municipal and regional elections) we continued with visits to the communities and coordination with local authorities; this led to greater efforts being made to counteract the disinformation spread by certain municipal and regional candidates who sought to "gain" votes with calls for the "legalization of coca growing".

### 1 Principal eradication activities

#### 1.1 CADA letters

In the IV Quarter, 45 letters were obtained for an equal number of communities for measuring coca crops; the total figure as at December 2006 was 241 letters for the measurement of coca crops in new communities (130 letters) and those with non-declared coca crops (111 letters).

It should be pointed out that of the 130 letters in new communities, agreements were signed with 108; the remaining 22 cover communities to be visited in 2007.

Regional office	Letters obtained in the IV Quarter	Total N° of letters January - Dec.
San Martín	20	125
Tingo María/Aguaytia	19	51
Ucayali	6	59
Tocache	0	6
<b>Total</b>	<b>45</b>	<b>241</b>

#### 1.2 Measuring coca crop in Has.

In the IV Quarter, 321 Has. of coca were measured, which represented 12% of the accumulated total for January to December 2006 (2,612 Has.)

Regional office	Has. measured in IV Quarter.	Has. measured in Jan. - Dec.
San Martín	204	1,253
Tingo María/Aguaytia	54	584
Ucayali	63	740
Tocache	0	35
<b>Total</b>	<b>321</b>	<b>2,612</b>

The measurement process was carried out by CADA brigades accompanied by PDA facilitators; a community representative also took part in this process.

### 1.3 Framework agreements

Twenty (20) framework agreements were signed; the signing of an agreement is the most important part of the voluntary eradication process as it determines the benefits to be received by the community as well as the inhabitants' decision to eradicate coca plants and to keep their community coca-free.

<b>Regional office</b>	<b>Framework agreements signed in the IV Quarter.</b>	<b>Framework agreements January - Dec.</b>
San Martín	19	86
Tingo María/Aguaytia	1	09
Ucayali	0	10
Tocache	0	3
<b>Total</b>	<b>20</b>	<b>108</b>

Also, a total of 92 addenda were granted to incorporate undeclared coca crops, which then became part of the eradicated coca area.

### 1.4 Coca crop reductions (in Has.)

A total of 1,036 hectares of coca crops were eradicated in the IV Quarter; the accumulated figure for January to December was 2,551 hectares; this achieves the goal programmed for 2006 (2,500 hectares).

<b>Regional office</b>	<b>Has. eradicated in IV Quarter</b>	<b>Has. eradicated January - Dec.</b>
San Martín	640	1235
Tingo María/Aguaytia	240	597
Ucayali	156	673
Tocache	0	46
<b>Total</b>	<b>1,036</b>	<b>2,551</b>

It should be emphasized that the 2,551 Has. are distributed as follows:

- Has. in new communities: 1,225 (48 %).
- Undeclared Has. of coca plants : 1,326 (52%)

## **2. Constraints**

1. The electoral process (municipal and regional elections) was the “stage” for some candidates to demonstrate their opposition to the PDA and all forms of coca eradication; indeed, some of them offered to “legalize” coca growing.
2. Coca growers’ organizations, with the political support of certain congressmen, continued to oppose eradication and also propagated disinformation among the communities.
3. The presence of revolutionary groups (Sendero Luminoso) and drug traffickers limited visits to the field.
4. Farmers with large areas of coca crops (more than 1 Ha.) ”demanded” greater support from the PDA; as they claimed that to “stop being dependent on coca” the program should provide them with more than two hectares of legal crops per family.
5. Reluctance by farmers to reveal all of their coca crop, fearing that legal crops may not produce good results. This “strategy” on the part of some farmers is to “ensure” that if the productive project fails, they will still have their undeclared coca to fall back on.
6. The model contract for CADA personnel (23 business days / 7 days rest) does not allow measuring and reduction work on a continuous basis.
7. Concrete and immediate aspirations of farmers regarding medium-term projects.
8. In some coca-growing communities (more than 200,000 plants per Ha.) the proprietors of these plots want greater benefits than those offered by the PDA.
9. The owners of larger coca plantations generally do not live in the community and it is therefore difficult to get them to agree.

## **3. Recommendations**

1. CORAH should penetrate recalcitrant communities that have significant areas planted with coca.
2. Participation by other PDA components to bring the benefits of the program to the communities.
3. Identification of the most vulnerable communities in order to reinforce the work of raising awareness.
4. Accelerate the implementation of projects and other work in communities that have signed framework agreements, particularly those in which larger areas of coca have been eradicated.
5. Continued with awareness-raising activities to prevent "coca free" communities from planting the crop again.
6. The program should not approach communities with only small areas of coca crops and where productive development cannot be pursued because of the small investment required, to avoid creating "expectations".

#### **4. Lessons learned**

1. Vulnerable families (with larger coca crops) participate in the program when they "receive" greater support for productive projects. This decision regarding greater support is taken by the inhabitants of the community themselves.
2. The message of support for all coca farmers in the community identifies and reduces a majority of areas planted with coca.
3. One group of farmers revealed their coca plantations after seeing the first benefits of the program; this is the explanation for the existence of undeclared coca plantations.
4. Participation by both spouses in the agreements gives them "greater" value.
5. Farmers with significant areas under coca (more than 1 hectare per family head) "appear" to claim their benefits; these people generally do not live in the community.
6. There are two types of inhabitants in communities with large areas under coca; one group made up of residents and another group of people who do not live in the community or take part in community activities, but who do own coca plantations. In order to avoid conflicts between these groups it was decided to work with everyone.
7. Agreement must be reached with all the inhabitants of the community, including the coca growers who generally do not live in it.
8. Diagnoses and solutions to problems that involve the inhabitants are the best tools for determining contributions by the PDA.

#### **5. Activities for the 1st quarter of 2007**

1. Obtaining more CADA letters for measuring coca crops
2. Eradication of 309 Has. of coca.
3. Monitoring coca-free communities, those with some coca remaining and recalcitrant communities.
4. Regularize exclusions and addenda for communities that have requested this action.
5. Visits to communities that appear to be growing coca, to obtain letters of verification.

## LOCAL DEVELOPMENT

During the IV Quarter, this component endeavored to work more closely with the public sectors (i.e. Health, Education and others) in an effort to join forces and thereby ensure the long-term sustainability of the potable water system, improve the quality of education and overall, to sensitize the inhabitants on the use and maintenance of the works of infrastructure executed by the PDA.



Other efforts included coordinating with other USAID operators (CEDRO, MSH, APRENDES, PRODES) with whom we organize joint activities to inform and sensitize the communities, exchanging information so as to permanently improve our intervention efforts.

One of the most notable activities was the co-organization of two workshops with PRODES. The aim of these workshops was to establish ways in which the local, outgoing governments could go about transferring their administration activities to the newly-elected, incoming authorities as smoothly as possible. They were held in Tarapoto and Tingo María and included the participation of 77 and 5 municipalities, respectively.

### 1. Main Tasks

#### 1.1 Information submitted to municipalities and communities

A total of 113 fact sheets were handed over to the municipalities so as to inform the authorities on the investment amounts already disbursed and the status of compliance with the frame agreements.

Regional Offices	Factsheets to Local Governments (IV Quarter)	Factsheets to Local Governments (Jan-Dec 2006)
San Martín	50	69
Tingo María/Aguaytia	17	45
Ucayali	22	27
Tocache	24	27
VRAE	0	0
<b>Total</b>	<b>113</b>	<b>168</b>

As the table above shows, most of the fact sheets were handed over in the IV Quarter (67%). This was a strategic move designed to counteract the “misinformation” of some of the political candidates during the electoral campaign.

Another significant achievement was the delivery and explanation of 789 fact sheets to local authorities and community members. This enabled us to inform the communities on the progress made with respect to the implementation of PDA's commitments under the framework agreements.

<b>Regional Office</b>	<b>Factsheets delivered to Communities (IV Quarter)</b>	<b>Factsheets delivered to Communities (Jan-Dec 2006)</b>
San Martín	201	631
Tingo María/Aguaytía	118	369
Ucayali	407	865
Tocache	63	153
VRAE	0	0
<b>Total</b>	<b>789</b>	<b>2018</b>

The actual transfer process of these facts sheets turned into an opportunity for conversation in which to explain and clarify a series of doubts that the community members had in connection with the PDA, the grantees and/or the subcontractors



The factsheets are important not only as a means of providing information, but also because they allow us to gather the opinions of the local inhabitants, which in turn help us to improve our work.

The community members' "claims" and "doubts" are recorded in the factsheets which are then passed on to the corresponding PDA divisions (economic, environmental, infrastructure, administration,

communications, etc.) so that they can come up with a solution or explanation. This establishes an information network between the communities and the PDA.

## **1.2 Municipal Contribution**

In the IV Quarter we managed to obtain co-financing for the sum of S/. 16,042 from municipalities for the execution of some of the works (R – 217 and Plan 2006). To date, the cumulative amount contributed by municipalities between January and December totals S/. 586,371.

<b>Regional Office</b>	<b>Municipal Contribution in IV Quarter S/.</b>	<b>Cumulative Amount of Municipal Contribution (Jan-Dec) S/.</b>
San Martín	0	511,417
Tingo María/Aguaytia	10,789	29,200
Ucayali	5,253	69,253
Tocache	0	0
VRAE	0	0
<b>Total S/.</b>	<b>16,042</b>	<b>609,870</b>

The preceding chart shows that the municipalities of San Martín and Ucayali are the two that have borne the brunt of the cost of these works. This process is by no means an easy one as we have had to work with the municipal authorities with respect to project financing. Previously, the PDA had assumed the totality of the cost of these works. The municipalities of Tocache and the VRAE did not show much interest in co-financing the works. This was partly due to the political influence of certain sectors that oppose PDA's efforts.

Municipal contributions were made easier because a number of the proposed projects had already been included within their budgets. Thus, co-financing allowed for:

- The involvement of municipalities in the execution of works.
- Municipalities to recognize that it was their responsibility to maintain the completed projects.
- Community members now have a better regard for the municipalities for this effort.
- The municipalities have improved their administrative capabilities, thanks to the training received by PDA.

After the elections, the municipal authorities of Puerto Inca decided to desist from contributing the amount of S/.23,499 as co-financing for certain projects. Faced with this new situation, and in an effort to work towards ensuring that all prioritized projects are duly executed, the PDA will try and negotiate this matter with the municipal authorities, through its Local Development facilitators.

### **1.3 Community Contribution**

In the reporting quarter, the PDA obtained a commitment from the communities to contribute labor for the value of S/.137,621. The annual amount of community contribution between January and December thus accounted for S/. 493,170 .

Regional Office	Community Contribution IV Quarter S/.	Cumulative Amount of Community Contribution Jan-Dec S/.
San Martín	131,999	366,127
Tingo María/Aguaytia	2,622	18,840
Ucayali	0	69,253
Tocache	0	30,950
VRAE	3,000	8,000
<b>Total</b>	<b>137,621</b>	<b>493,170</b>



The communities contributed with labor for the construction, improvement and/or rehabilitation of projects prioritized by the inhabitants themselves. These activities served to make the community members understand that projects such as these are in fact 'their own' projects, while also reinforcing the idea that once completed, these hands-on experiences require proper maintenance if they are to last.

At first, community members tended to be reluctant to contribute with labor since they wanted the PDA to assume the total cost of the project. This attitude was soon reverted after a successful sensitization process designed to teach them to value the project and see it as part of their own progress.

Communities contributed with labor for the construction, improvement and rehabilitation of projects prioritized by the community members themselves.

#### 1.4 Training and sensitizing workshops

A total of 193 meetings were held in the last quarter of 2006, to train, sensitize and exchange opinions with 1,873 people. Added to the meetings held previously during the year, a total of 283 meetings with 10,053 community members, authorities and various community leaders were held throughout the year.

<b>Regional Office</b>	<b>Training and sensitizing workshops held in 2006</b>	<b>N° of Participants in 2006</b>
San Martín	83	1,839
Tingo María/Aguaytia	88	2,350
Ucayali	76	3,648
Tocache	5	144
VRAE	31	2,072
<b>Total</b>	<b>283</b>	<b>10,053</b>

The training workshops focused on different subjects according the priorities of each Regional Office. In Ucayali, emphasis was given to the workshop on “Building a Vision of a Shared Future.” This was co-organized with the Communications component and was an opportunity for each community to design its vision of development, propose the mechanisms to achieve it and establish the responsibilities to be assumed by each of the members.



In San Martín, meetings were directed towards sensitizing families to convince them to adopt an attitude of leadership in the development of PDA activities. Issues such as self-esteem and others were also addressed.

In Tingo María and VRAE, training focused on the consumption of safe water, as well as proper maintenance of school classrooms, water systems, and others.

### **1.5 Committees for the use and maintenance of works**

In the IV Quarter, a total of 171 committees were reorganized and/or established in order to ensure that the works of infrastructure are appropriately used and maintained. After identifying the weaknesses of these organizations, we proceeded to draft a training plan designed to improve the administration and maintenance of each one of the projects.

The Potable Water System (SAP) and Roads both require to be used appropriately and to be properly maintained. This is why 27 committees were formed to oversee the SAP and 19 to oversee roads. Another 196 committees were formed to oversee all other projects (communal buildings, classrooms, multi-purpose sports facilities and others).

For the calendar year 2006, there are 403 maintenance committees of which 87 are in charge of the SAPs, 69 are responsible for roads and 247 for other works of infrastructure (see table).

### Maintenance Committees Formed During 2006

Regional Office	SAP Committees	Road Committees	Committees for other works
San Martín	6	22	52
Tingo María/Aguaytia	26	10	46
Ucayali	42	30	134
Tocache	5	6	5
VRAE	8	1	10
<b>Total</b>	<b>87</b>	<b>69</b>	<b>247</b>

In the reporting quarter, we continued to move forward with the Potable Water Systems' (SAP) sustainability plan. This required each Regional Office, in coordination with local governments, Health and Education sectors, and other USAID-financed operators (MSH and CEDRO), to develop a plan designed to include:

- Restructuring of the committees
- Proposals for training courses
- Preparation of training and sensitizing material
- Community work projects to improve and rehabilitate the SAPs
- Training
- Establishment of multisector committees



The other maintenance committees (roads, school classrooms, multipurpose facilities, health centers, and others) were organized in coordination with the public sectors (Health, Education and Municipalities). We managed to agree on a number of cooperation agreements through which the competent sector has agreed to assume the respective technical assistance and “legally” recognize these committees, systems, and others.

The maintenance committees will:

- Ensure the proper use and maintenance of completed PDA projects
- Improve the service
- Guarantee the useful life of the completed projects
- Empower the community to take good care of the completed projects.

### 1.6 Coordination with other USAID contractors

A total of 78 coordination meetings were held in the IV Quarter with other USAID contractors. PDA successfully articulated a series of activities with these institutions to focus USAID investment towards benefiting the signatory communities and/or districts.

Regional Office	MSH	CEDRO	ETL/ PRODES	APRENDES	CARITAS
San Martín	2	3	1	2	0
Tingo María/Aguaytia	14	25	7	3	3
Ucayali	2	1	2	4	0
Tocache	3	1	1	0	0
VRAE	4	0	0	0	0
<b>Total</b>	<b>25</b>	<b>30</b>	<b>11</b>	<b>9</b>	<b>3</b>

Based on the different particularities of each region and the responsibilities of each of the institutions, our support and/or complementary efforts included:

- MHS: Training on the sustainability of the SAPs; future vision of the communities.
- CEDRO: Sensitization on the use of safe water, future vision of the communities, drug abuse prevention.
- ETL/PRODES: Orderly transfer of the municipalities administrative tasks, use of the Integrated Financial Administration System (SIAF) by the municipalities; participative budget-planning, National System for Public Investment (SNIP), account rendering.
- APRENDES: Sensitization on the use of safe water, school municipalities, quality education, future vision of the communities.
- CARITAS: Information to communities.

### 1.7 Articulation with the State and the private sectors

The main achievement of this IV Quarter as far as articulation with the State and private sector was concerned, had to do with securing the involvement of the public sectors in the implementation of some of the activities. The main tasks carried out with these institutions are described below.

#### With the Ministry of Health:

Strengthening the Committees for the Use and Maintenance of the Potable Water System. Procedures were set in place to integrate the SAPs into the sector's sanitation watch

network. One of the activities still pending with the Ministry of Health is to obtain information on the reduction of acute diarrhea disease in the signatory communities.

#### With the Provincial Roads Institute of San Martin:

The Provincial Road Map was updated, with georeferencing for all highways, roads and dirt tracks in the province of San Martin. Regarding the other Regional Offices, we coordinated with PROVIAS for the refurbishment of roads (Tingo Maria) and for the establishment of the road maintenance committees (Ucayali).

## **2. Constraints**

1. We have a heavier work-load because there are more communities to attend to now, and more field work to do. This does not leave us all that much time to “accompany ” the communities.
2. There is not much interest on the part of the State, to become actively involved in the development of PDA-assisted communities.
3. Some of the candidates who ran for office at municipal and regional government levels oppose the PDA. A number of mayors seeking reelection were also very reluctant to support the PDA.
4. There has been a degree of non-compliance of the agreements on the part of some of the grantees, who never started-up the works despite having received the funds to do so.
5. Communities still perceive the PDA as the donator of financial resources and therefore are sometimes reluctant to contribute with non-qualified labor for the execution of projects.
6. Local Development is still a relatively new concept and requires some “internalization” by staff assigned to other PDA divisions.

## **3. Recommendations**

1. Information meetings for communities located in areas of social unrest should be held in the capital cities of the districts or in towns.
2. Work meetings with the other Regional Office areas to explain and exchange ideas on local development.
3. PDA activities should be communicated to the public through the media. For this, the communications component should design a special information strategy.
4. PDA’s finance component in Lima should train and teach the municipalities to manage the funds transferred to them efficiently. We suggest implementing a program of preventive audits.
5. Continue with the sensitization activities conjunctly with the municipalities so that the community members contribute with non-qualified labor.
6. Work meetings should be held with the all of the staff assigned to Local Development in the Regional Offices, so as to explain, exchange ideas, and standardize PDA’s Local Development work.

#### **4. Lessons Learned**

1. Ongoing visits, understanding the people's concerns, and supporting local authorities in their negotiations with other entities, all help to strengthen the PDA's relationship with the authorities and local inhabitants.
2. The information meetings provide an opportunity for dialogue through which residents can propose initiatives to improve the implementation of PDA activities.
3. Coordinated work with the various USAID operators, helps to facilitate our intervention efforts and avoids duplicating the work, but this must be programmed in good time, at the beginning of each year to ensure success.
4. Local Development's management of the social, political and economic context has contributed to avoid conflicts of interest propitiated and/or manipulated by a few ill-willed leaders.
5. Training is more sustainable when the entire family unit is involved.
6. The public sectors (health, education, transport, agriculture and others) are willing to participate in PDA-implemented activities provided their support is 'formalized' by an agreement of some sort.
7. The project transfer documents or the completion of a project does not in itself guarantee quality. Quality control must be an ongoing process to check that the materials used and finishings are acceptable.

#### **5. Activities programmed for the I Quarter 2007**

1. Formulate an Annual Operative Plan for Local Development.
2. Continue with the process to transfer completed projects.
3. Systemize good results for each community.
4. Broaden training activities to ensure the sustainability of the potable water systems in communities where the PDA has opened up new schools with proper bathrooms.
5. Continue with training programs for the sustainability of potable water and road systems.
6. Hold workshops on the use and maintenance of works.
7. Start drafting the proposal for maintaining rural roads.
8. Promote the organization of the Neighborhood Committees as the only community structure responsible for overseeing the development of the community.
9. Accompany the communities so as to persuade them to contribute their non-qualified labor.
10. Keep community leaders and local governments informed on the scope and compliance of the frame agreements.
11. Apply the Strengthening Plan to producer organizations.
12. Encourage local governments to approve projects through council agreements, in order to assume the operation and maintenance of the works transferred to local governments.
13. Implement inter-institutional cooperation agreements (UGEL, MINAG, MINSA, PROVIAS RURAL, etc.).

14. Execute the Work Refurbishment Plan with the participation of communities and municipal support.
15. Strengthen a sense of teamwork with other USAID operators, especially with MSH, CEDRO, PRODES and APRENDES.
16. Prepare formats for the municipalities, grantees and subcontractors to render accounts to communities.

## CHAPTER III: IMPLEMENTATION OF COMMUNITY PROGRAMS

The main objective from this PDA component is to finance infrastructure projects designed to improve the quality of life in the communities that have signed voluntary coca crop reduction agreements with PDA.

The Infrastructure component comes into play by financing projects at the design level and during the operational stage. It can undertake partial or complete financing of prioritized projects according to the level of commitment.

Financed projects are related to the construction, expansion or rehabilitation of medical posts, classrooms, schools, sports and recreational areas, potable water and/or sewage systems, drainage, and electrification grids. They are oriented toward improving overall social conditions and promoting economic development.

On the other hand it is important to mention that intervention of the Infrastructure component in the beneficiary communities entails indirect benefits since it:

- Provides temporary income in beneficiary communities through labor requirements associated with the construction of the infrastructure projects.
- Generates employment by utilizing construction firms in the coca areas for the design, evaluation (in some cases), execution and/or supervision of projects.
- Increases the degree of coordination between local, regional and national producers from the respective coca valleys.
- Improves communities' governance by way of strategic alliances with local governments resulting from construction grants awarded to municipalities.
- Increases household income in beneficiary communities through sustainable economic activities.
- Strengthens the institutional capacity of community organizations.
- Through a spill-over effect from participating communities, increase "buy-in" and as a result broaden program impact.
- Sensitizes communities to promote sustainable use of natural resources.

### A1. Reporting Quarter Activities

The infrastructure component is guided by overarching PDA objectives and by commitments derived from community-level voluntary coca eradication agreements. For this reason, infrastructure office activity during the October –December reporting quarter centers on the following:

#### R-379

- In this phase, we have 490 projects<sup>1</sup> in Framework Agreements. At present 99% have been concluded, with a remainder of 6 projects in execution (2 Potable Water system, 1 Bridge, 1 Road Rehabilitation, 1 Community Center and 1 Electrification System), in the pre implementation phase – under design – one project (in Hormiga community) which is the preparation of the Technical File for the construction of

---

<sup>1</sup> This numbers does not contemplate the number of cancelled projects (19) and executed by other institutions (20), which brings the total to 529 projects shown in Table 1.

the Shambo and Hormiga bridges for motorized traffic; this commitment is currently in the design phase.

- The main tasks carried out during the reporting quarter have focused on:
  - Completing the projects through the reception and technical liquidation stages.
  - The transfer stage for municipalities. The table below reflects the progress this quarter in these activities by region:

Region	N° Municipalities	N° Projects	N° Transfer Projects	%
San Martin	4	30	29	97%
Tingo Maria - Aguaytia	7	123	72	59%
Tocache	3	38	33	87%
Ucayali	4	119	89	75%
VRAE	8	36	0	0%
<b>Total</b>	<b>26</b>	<b>346</b>	<b>223</b>	<b>64%</b>

- With regard to the infrastructure transfer process, this quarter we have begun the implementation of the plans for operation and maintenance of the infrastructure projects as well as the identification and execution of repair of some projects. Finally, we have reinforced training efforts for the Operation and Maintenance Committees in the signatory communities.
- Transfer to the sectors of Health and Education have continued their progress through the processing of various levels of paperwork and agreements at the local level with the respective ministries.
- Supervision of infrastructure construction projects has continued.

### **R-217 & Plan 2006**

These phases of intervention are principally concerned with the implementation of projects to be financed through donation recipients, and other funding sources – for example by the communities themselves. The following activities have taken place during this quarter:

- R217:
  - In this phase, there are 124 projects prioritized of which 6% are in pre implementation phase, 59% under execution and 35% en completed phase, as shown in Table 2.
  - During this quarter the principal projects have been started or are currently in execution stages. Consequently, monitoring and supervisory functions have been initiated or continued with reference to the infrastructure component.
  - The projects in this phase consist of: Classrooms/schools (36%), Community Centers (15%), Rehabilitation of rural roads (14%) and Potable Water systems (14%), as seen in Table 2.

- Plan 2006:
  - As of the reporting date, this phase has 66 projects<sup>2</sup>, of which 82% are in pre implementation phase, and 18% are under execution, as shown in Table 2.
  - The number of projects has increased by 26 from the last reporting period due to the addition of new communities who have signed Framework Agreements with the PDA.
  - The works have been focused on the pre implementation phase, preparation and evaluation of technical documentation under the guidelines set out in the instructions, taking special care to avoid functional incompatibility, and recognition of the practicality and viability of prioritized projects.
  - The projects are broken down as follows: Classrooms/schools (33%), Potable Water systems (15%), and Rehabilitation of rural roads (14%).

### **Post Erradicación**

In this implementation phase, the PDA intervenes in communities that have undergone programmed eradication. For this reason, the infrastructure component seeks to strengthen the communities in these areas and to help put them on the path to the licit economy by way of social and economic infrastructure.

With regard to the Post Eradication intervention, correspond to 2006 (trimester reported) ten projects which are in pre implementation phase (9 under design and 1 approved/ready for contract award). They will begin their execution next quarter. In 2007, we are seeking to implement activities in new communities. As such, in the next quarter, we will be able to offer a more precise projection of prioritized infrastructure projects.

The prioritized projects are (10 total): Electrification Systems (4), Road Rehabilitations (2), Engineering structure (1), Bridge Construction (1), classroom/school construction (1), and Potable Water system (1).

All of the projects have been focused in communities pertaining to the Tocache and Pólvora districts. (Tocache region).

### **General Activities**

The elements mentioned above correspond to the principal activities undertaken by the infrastructure office, but in general order, others key internal improvements were made this quarter, such as:

- Monitoring, coordinating and supporting the development of the new functions assumed by Regional Specialists as a result of the decentralization process.
- Advising in areas related to planning each project phase effectively (pre implementation, execution, completed)
- Coordination with PDA partners to facilitate the viability of the projects, as well as to create mechanisms to help reduce execution time.

---

<sup>2</sup> This number does not contemplate the cancelled projects (2) and those to be reformulated (1), with which there are the 69 projects as shown in Table 1.

**Table 1** presents the universe of infrastructure projects at each stage of the project cycle, by target region.

**Table 1: Implementation Stage, by Region**

<b>R-379</b>						
Infrastructure Project Cycle	Ucayali	San Martin	VRAE	Tingo Maria	Tocache	Total
In design phase	0	0	0	1	0	1
In implementation	3	1	0	2	0	6
Completed	158	57	66	157	45	483
Cancelled	1	1	13	4	0	19
Executed by other institutions	4	0	0	16	0	20
<b>TOTAL</b>	<b>166</b>	<b>59</b>	<b>79</b>	<b>180</b>	<b>45</b>	<b>529</b>
<b>R-217</b>						
Infrastructure Project Cycle	Ucayali	San Martin	Tingo Maria	Tocache	Total	
Pre-implementation	0	0	0	0	0	
In design phase	1	3	0	0	4	
Approved/ready for contract award	0	2	1	0	3	
In implementation	25	39	5	2	71	
Temporarily stopped	0	3	0	0	3	
Completed	9	30	3	1	43	
Cancelled	5	22	2	2	31	
<b>TOTAL</b>	<b>40</b>	<b>99</b>	<b>11</b>	<b>5</b>	<b>155</b>	
<b>Plan 2006</b>						
Infrastructure Project Cycle	Ucayali	San Martin	Tingo Maria	Tocache	Total	
Pre-implementation	5	17	5	0	27	
In design phase	6	6	2	0	14	
Approved/ready for contract award	4	4	4	1	13	
In implementation	1	11	0	0	12	
Cancelled	0	1	1	0	2	
To be re-formulated	0	1	0	0	1	
<b>TOTAL</b>	<b>16</b>	<b>40</b>	<b>12</b>	<b>1</b>	<b>69</b>	
<b>Post Eradication</b>						
Infrastructure Project Cycle	Ucayali	San Martin	Tingo Maria	Tocache	Total	
In design phase	0	0	0	9	9	
Approved/ready for contract award	0	0	0	1	1	
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>	

**Table 2**, which presents a breakdown by project type, shows the distribution according to phase of execution (pre-implementation, in execution, completed).

**Table 2: Summary: Project Status, by Project Type**

General Classification	Project Type	Pre Implementation	In Execution	Completed
<b><u>R-379</u></b>				
Educational Infrastructure	Educational centers	0	0	114
Community Infrastructure	Community Centers	0	1	117
	Community Infrastructure	0	0	11
	Steps	0	0	4
	Recreational areas	0	0	20
Water and Sewage	Sewage infrastructure	0	0	6
	Potable Water systems	0	2	77
Health Infrastructure	Health Post	0	0	14
Road Infrastructure	Road Rehabilitation	0	1	62
	Bridge Construction	1	1	32
Economic Infrastructure	Productive infrastructure	0	0	8
	Irrigation channel construction	0	0	2
Electrification	Electrification System Construction	0	1	14
Other	River Embankment Protection	0	0	2
<b>TOTAL R-379</b>		<b>1</b>	<b>6</b>	<b>483</b>
<b><u>R-217</u></b>				
Educational Infrastructure	Educational centers	2	26	17
Community Infrastructure	Community Centers	0	8	11
	Community Infrastructure	0	2	3
Water	Potable Water systems	2	13	2
Health Infrastructure	Health Post	0	1	0
Road Infrastructure	Road Rehabilitation	1	11	5
	Bridge Construction	0	3	0
Economic Infrastructure	Productive infrastructure	0	2	2
Electrification	Electrification System Construction	2	4	2
Other	Engineering structures	0	4	1
<b>TOTAL R-217</b>		<b>7</b>	<b>74</b>	<b>43</b>
<b><u>PLAN 2006</u></b>				
Educational Infrastructure	Educational centers	18	4	0
Community Infrastructure	Community Centers	4	1	0
	Community Infrastructure	2	0	0
Water	Potable Water systems	7	3	0
Health Infrastructure	Health Post	1	0	0
Road Infrastructure	Road Rehabilitation	9	0	0
	Bridge Construction	2	0	0
Economic Infrastructure	Productive infrastructure	3	4	0
Electrification	Electrification System Construction	4	0	0
Other	Engineering structures	4	0	0
<b>TOTAL PLAN 2006</b>		<b>54</b>	<b>12</b>	<b>0</b>
<b><u>Post Eradication</u></b>				
Educational Infrastructure	Educational centers	1	0	0
Water	Potable Water systems	1	0	0
Road Infrastructure	Road Rehabilitation	2	0	0
	Bridge Construction	1	0	0
Electrification	Electrification System Construction	4	0	0
Other	Engineering structures	1	0	0
<b>TOTAL Post Eradication</b>		<b>10</b>	<b>0</b>	<b>0</b>

## Project Start – Ups

- R-379, two projects began in October, both pertaining to benefits in the community of Hormiga (Padre Abad) that were renegotiated. They are a multi-use facility and the rehabilitation of 3 Km of highway.
- R-217, the relationship of the number of project start-ups (12 total) is shown below:

**Table 3: Project Start-Up, by Region**

Period		Number of Infrastructure Projects				
		Ucayali	Tingo Maria	Tocache	San Martin	TOTAL
2006	October	3	1	0	2	6
	November	1	1	0	3	5
	December	0	0	0	1	1
	<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>12</b>

- Plan 2006, 3 projects start-ups in this quarter (San Martin region), two of them in October (school construction and rehabilitation) and the last one in November (provision of school furniture).

## Completed Projects

- R-379, five projects were completed from the implementation (excluding complementary works). These were two Health Posts in Antonio Mansilla (Tingo Maria-Aguaytia region) and Santa Martha (Ucayali region), the Community Center in Alto Madre Mia (Tocache region), the construction of schoolrooms in San Pablo de Sinai (Ucayali region), and the financing with materials for the improvement of living areas in Achinamiza (San Martin region).
- R-217, in this quarter 25 projects were completed, as shown in Table 4 below:

**Table 4: Completed Projects, by Region**

Period		Number of Infrastructure Projects			
		Ucayali	Tingo Maria	San Martin	TOTAL
2006	October	7	1	4	12
	November	0	2	9	11
	December	0	0	2	2
	<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>15</b>	<b>25</b>

## **A2. Lessons learned**

- It is important to be clear and concise with the information that is shared with communities concerning the progress in their infrastructure projects as well as the responsibilities of both the PDA and the community in the construction and maintenance in order to foment sustainability.
- Ensure that the communities are aware of the limitations that social conflict, climatic changes and problems with security affect implementation timelines.
- The participation of different financial sources in the development and execution of projects helps foment their sustainability. This includes the following factors:
  - Working with the communities in their commitment to operate and maintain executed works as well as to improve their level of organization.
  - Working with local and regional governments by strengthening cooperative work relations with beneficiary communities.
- Assigning the execution of works keeping in mind previous performance of executing entities (sub-contractors or donors).
- The implementation of stricter contractual tools makes it easier to meet the datelines and attain quality products (technical files, execution, supervision), resulting in budget compliance and even savings.
- On-site visits are a key in ensuring community satisfaction and sub-contractor or donor compliance.
- Coordinating efforts with institutions and/or entities related to the Infrastructure projects in order to obtain:
  - Technical support for optimal development of the projects.
  - The required documentation within the stipulated time-frames so as to be able to transfer the completed works as soon as possible after these have been concluded.

## **A3. Recommendations**

- Infrastructure staff should continue intervention from the outset in the planning of PDA intervention in new geographic areas. This includes accompanying PDA teams to help in technical advising in terms of viable projects and impact of possible interventions.
- Given that in the new interventions stage most work will be carried out with donors and with the co-financing of third parties, we recommend foreseeing legal and contractual mechanisms that contribute to ensure compliance of the works as well as their financing.
- Utilization of the database for municipal governments to red-flag those with lackluster performance and non-compliance issues at the time of delegating the execution of the works.
- Continue to perform evaluations of project implementation in order to identify shortfalls and determine best practices.
- Continue the use of direct-hire supervisors and increase the amount of on-site inspections.
- Project cost bases created at regional level, which have served as the basis on which to prepare the technical files for the new interventions projects will be subject to ongoing evaluation as the works are developed. The aim of this is to obtain standard costs for the works in PDA's intervention areas.
- The operation should be initiated and maintained within optimal datelines to obtain the best results.

- Offer advice and financial follow-up with donation recipients in order to ensure compliance with the rendering of expense accounts related to projects.

#### **A4. Constraints**

- Inability of donors to comply with established work schedules.
- In relation to the Donors as executing entities, the contractual – legal tools are not and cannot be sufficiently strict as to guarantee the fulfillment of datelines, the non-occurrence of work stoppage and as consequence incurrence of greater costs.
- The lack of experience of Donation Recipients in rendering financial accounts has resulted in a discrepancy in the amounts to be disbursed by the PDA. The Recipients failure to present adequate accounts has had the following effects:
  - The Donation Recipients/Municipalities refuse to act as transfer agents for the projects.
  - They fail to pay the workers on the projects (community members).
  - The community beneficiaries refuse to sign the legal documents that are required for the termination and subsequent transfer of works.

#### **A5. Activities for next quarter**

The activities for the upcoming quarter include:

##### **R-379**

- Complete the bulk of R-379 commitments.
- Monitor and track implementation of projects underway in order to ensure technical, environmental, and timeline compliance.
- Transfer the infrastructure works to the corresponding entities (Education, Health, Agriculture and District or Provincial Municipalities).
- Implement the strategy for the operation and maintenance of infrastructure works.
- Implement the strategy for subcontract and grant close-downs for completed projects. Implementar el proceso de cierres de subcontratos y donaciones.

##### **R-217 – Plan 2006 – Post Eradication**

- Monitor fulfillment of the assumed Infrastructure commitments.
  - Formulate and evaluate technical files.
  - Obtain approval of technical files by the other financing entities.
  - Adjudicate contract awards for the execution of projects to the Donors qualified by PDA's Finance Area.
  - Execution of works.
- Implement control tools and open new fields of information. This would have a significant bearing on results.
- Training of regional PDA staff

## **ECONOMIC ACTIVITIES**

### **Executive Summary**

During the reporting period, the Economic Activities component focused its efforts on formulating the productive projects that were still pending under R217, but mainly on drafting supplementary projects designed to strengthen our intervention by improving the quality of the technical assistance provided, as well as bolstering cacao and coffee crops, and other projects oriented towards ensuring food security for the program's beneficiaries.

The Regional Offices started-up their processes to install the new crops prioritized until July, as part of Plan 2006, and monitoring the crops that are being developed as part of the commitments assumed under R379 and R217.

The security restrictions that were affecting our visits to the field in the areas of Tingo Maria and Tocache were finally lifted, so our technical specialists have been able to resume their work as normal in the affected communities.

The Regional Office of Tocache is making significant headway with the post-eradication intervention model. So far, it has signed agreements with 42 communities who are currently enjoying the benefits of temporary employment, cacao, coffee and oil palm plantations, small animal modules, fish-farms and annual crops such as corn. The Cooperativa Agroindustrial Tocache (CD-257) on the other hand, commenced activities to install 1,760 ha and maintain 400 ha of cacao.

### **Results**

#### **R379 Phase**

During the period in question, this component put an end to the support it was giving to 269.5 ha of cacao crops within the jurisdiction of the Regional Office of Vrae. This was cut short because the signatory communities did not allow us to provide them with technical assistance and refused to comply with the programmed activities.

On the other hand, the nursery oil palm project being conducted by OLAMSA in Ucayali, reached the seedling distribution stage, benefiting the communities of Neshuya. Eighteen of the twenty-five signatory communities received oil palm seedlings, which means that 312 people representing 607 ha were directly benefited with plants.

CULTIVO	CONCLUDE		UNDER EXECUTION		PENDIN		NON COMPLYING		TOTAL	
	D Has	Familias	Has	Familias	G Has	Familias	Has	Familias	Has	Familias
Rice	201.00	201.00							201.00	201.00
Cacao	269.50	148.00	14,293.00	12,687.00			1,233.50	876	15,796.00	13,711.00
Coffee	34.00	34	2,849.75	2,653.00			592.25	464	3,476.00	3,151.00
Beans	21.00	21.00							21.00	21.00
Corn	2,059.00	2,009							2,059.00	2,009.00
Peanuts	275.75	304							275.75	304.00
Camu Camu	59.75	57.00							59.75	57.00
Citric Fruits			265.00	313.00					265.00	313.00
Grain mill	1*	64							1*	64.00
Palma Aceitera	1,335.00	267.00	1,072.00	578.00					2,407.00	845.00
Palmito	91.00	91.00	21.00	21.00					112.00	112.00
Papaya	22.00	22.00							22.00	22.00
Grasses	4,672.00	2,436	786.50	587.00	37.00	37.00			5,495.50	3,060.00
Rice mill	3*	143							3*	143.00
Pineapple	69.25	203.00							69.25	203.00
Plantain	1,075.50	1,061.00	221.00	186.00					1,296.50	1,247.00
Cotton	4,968.00	3,172.00	98.00	66.00					5,066.00	3,238.00
Soil improvement	2.00	2.00			62.00	31.00			64.00	33.00
<b>TOTAL</b>	<b>15,154.75</b>	<b>10,235</b>	<b>19,606.25</b>	<b>17,091</b>	<b>99.00</b>	<b>68</b>	<b>1,825.75</b>	<b>1,340</b>	<b>36,685.75</b>	<b>28,734</b>

\* Hectares not counted.

Table 1

### Stage R217

The various grantees and/or subcontractors continued developing their respective project-related activities according to schedule during the reporting quarter. This implied transplanting cacao plants to their final fields, and then proceeding to go on with the grafting stage.

CROP	CONCLUDED		UNDER EXECUTION		PENDING		TOTAL	
	Has	Familias	Has	Familias	Has	Familias	Has	Familias
Rice	468.00	468.00					468.00	468
Cacao			2,756.50	2,686.00			2,756.50	2,686
Coffee			871.00	886.00	78.00	87.00	949.00	973
Pijuayo			167.00	167.00			167.00	167
Citric fruits			6	12			6.00	12
Oil Palm			158.00	93.00			158.00	93
Bananas			12.00	12.00			12.00	12
Pineapple			6.00	26.00			6.00	26
Pineapple seedbeds			1*	18			1*	18
Grasses			759.50	596.00	95.00	80.00	854.50	676
<b>TOTAL</b>	<b>468.00</b>	<b>468.00</b>	<b>4,736.00</b>	<b>4,496.00</b>	<b>173.00</b>	<b>167.00</b>	<b>5,377.00</b>	<b>5,131.00</b>

\* Hectares not counted.

Table 2

### Plan 2006 Stage

As far as progress made on this stage is concerned, 2,418 ha of crops were installed, including cacao, coffee, banana and oil palm crops. Still pending is the installation of an additional 725 ha (cacao and grasses). This expedite and timely installation of crops prioritized by the communities themselves, contributed to boost our credibility and strengthen the PDA's image in the eyes of the local communities.

CROP	UNDER EXECUTION		PENDING		TOTAL	
	Has	Families	Has	Families	Has	Families
Cacao	639.00	581.00	530.50	292.00	<b>1,169.50</b>	<b>873.00</b>
Coffee	609.00	609.00	0.00	0.00	<b>609.00</b>	<b>609.00</b>
Citric fruits	0	0	12	12	<b>12.00</b>	<b>12.00</b>
Palma Aceitera	496.50	104.00	0.00	0.00	<b>496.50</b>	<b>104.00</b>
Palmito	10.50	6.00	0.00	0.00	<b>10.50</b>	<b>6.00</b>
Plantain	243.00	135.00	0.00	0.00	<b>243.00</b>	<b>135.00</b>
Pineapple	1.00	7.00	0.00	0.00	<b>1.00</b>	<b>7.00</b>
Javas de Piña	1350 *	10.00	0.00	0.00	<b>0.00</b>	<b>10</b>
Grasses	231.00	108.00	109.00	90.00	<b>340.00</b>	<b>198</b>
Fish modules	0.00	0.00	8*	10.00	<b>8*</b>	<b>10</b>
Swine					<b>0.00</b>	<b>0</b>
Papaya	23.50	23.00			<b>23.50</b>	<b>23</b>
Rice mill	1 *	27.00	0.00	0.00	<b>0.00</b>	<b>27</b>
Small animal modules	0.00	0.00	44 *	44.00	<b>44 *</b>	<b>44</b>
Coffee modules	0.00	0.00	44*	44.00	<b>44*</b>	<b>44</b>
Cacao modules					<b>0.00</b>	<b>0</b>
Cattle activities					<b>0.00</b>	<b>0</b>
Small bird modules	0.00	0.00	58.00	58.00	<b>58.00</b>	<b>58.00</b>
Pepper	0.00	0.00	16.00	16.00	<b>16.00</b>	<b>16.00</b>
<b>TOTAL</b>	<b>2,253.50</b>	<b>1,610.00</b>	<b>725.50</b>	<b>566.00</b>	<b>2,979.00</b>	<b>2,176.00</b>

\* Hectares not counted.

Table 3

#### Reinforcement of technical assistance

As part of the effort to strengthen PDA's intervention and contribute towards its long-term sustainability, we thought it convenient to consider installing 1,943 ha of different types of crops: mainly cacao (1,320 ha), coffee (466 ha) and post-harvest modules for both these crops in the Ucayali region.

CROP	CONCLUDED		UNDER EXECUTION		PENDING		TOTAL	
	Has	Families	Has	Families	Has	Families	Has	Families
Rice			25.00	25.00			<b>25.00</b>	<b>25</b>
Cacao			351.00	351.00	969.00	969.00	<b>1,320.00</b>	<b>1,320</b>
Coffee			466.00	466.00			<b>466.00</b>	<b>466</b>
Hearts of Palm			52.00	91.00	80.00	80.00	<b>132.00</b>	<b>171</b>
Cacao modules			410*	410.00			<b>410*</b>	<b>410</b>
Coffee modules			235*	235.00			<b>235*</b>	<b>235</b>
Double-purpose heifers					25*	25	<b>25*</b>	<b>25</b>
<b>TOTAL</b>	<b>0.00</b>	<b>0</b>	<b>894.00</b>	<b>1,578</b>	<b>1,049.00</b>	<b>1,074</b>	<b>1,943.00</b>	<b>2,652</b>

\* Hectares not counted.

Table 4

#### a. Regional Office of Tingo Maria – Aguaytía R379, R217 and Plan 2006.-

In this area, work has gone on pretty much as usual, with the only changes being those in connection with the progress made by the projects. In this context, we have now concluded 5,534.50 ha, accounting for 46.46% of total crops in the jurisdiction of this Regional Office (11,913 ha). There are another 6378.50 ha currently undergoing development, and this makes up 53.54% of our targeted goal. With respect to the entire target area, nearly 100% of the proposed projects are already in progress, with only 109 modules pending commencement.

It is also important to state that apart from strengthening our technical assistance as shown in the table below , there has also been an effort to improve the quality of some of the products being produced by some of the already existing projects, i.e. grasses, cacao and citric fruits. These have not been accounted for as part of the total hectares because improving the quality of the produce is a different item, nonetheless, this type of endeavor implies the investment not only of funds but also of human resources.

Resumen del Estado Agronómico por cultivo de la OR Tingo María

Regional Office	Crop	Concluded		Under Execution		Pending		Total	
		Has	Families	Has	Families	Has	Families	Has	Families
Tingo María - Aguaytía R-379	Cacao			2,816.25	2,736.00			2,816.25	2,842
	Coffee			1,402.25	1,487			1,402.25	1,487
	Camu Camu	59.75	57					59.75	57
	Citric fruits			265.00	313			265.00	313
	Beansl	21.00	21					21.00	21
	Corn	216.00	260					216.00	260
	Grain mill	1*	64					1*	64
	Palma Aceitera	1,335.00	267	18.00	18			1,353.00	285
	Palmito	91.00	91	21.00	21			112.00	112
	Papaya	22.00	22					22.00	22
	Grasses	2,781.00	1019	227.50	92			3,008.50	1,111
	Rice mill	2*	73					2*	73
	Pineapple	69.25	203					69.25	203
	Plantain	939.50	908	192.00	157			1,131.50	1,065
<b>Sub Total R-379</b>		<b>5,534.50</b>	<b>2,985</b>	<b>4,942.00</b>	<b>4,930</b>	<b>0.00</b>	<b>0</b>	<b>10,476.50</b>	<b>7,915</b>
Tingo María - Aguaytía R-217	Cacao			30.5	22			30.50	22
	Coffee			60	60			60.00	60
	Citric Fruits			6	12			6.00	12
	Palma Aceitera			64	34			64.00	34
	Palmito			4	4			4.00	4
	Grasses			121.5	61			121.50	61
	Pineapple			0.5	4			0.50	4
	Plantain			3	3			3.00	3
	Pineapple Seedbeds			1*	18			1*	18
<b>Sub Total R-217</b>		<b>0.00</b>	<b>0</b>	<b>289.5</b>	<b>218</b>	<b>0.00</b>	<b>0</b>	<b>289.50</b>	<b>218</b>
Tingo María - Aguaytía P-2006	Palma Aceitera			496.50	104			496.50	104.00
	Palmito			10.50	6			10.50	6.00
	Cacao			133.00	75			133.00	75.00
	Coffee			91.00	91			91.00	91.00
	Papaya			23.50	23			23.50	23.00
	Grasses			96.50	41			96.50	41.00
	Pineapple			1.00	7			1.00	7.00
	Plantain			243.00	135			243.00	135.00
	Javas de Piña			1350 *	10.00			1350 *	10.00
	Rice			1 *	27.00			1 *	27.00
	Coffee modules					44*	44	44*	44.00
	Small animal modules					44 *	44	44*	44.00
<b>Sub Total P - 2006</b>		<b>0.00</b>	<b>0</b>	<b>1,095.00</b>	<b>519</b>	<b>0.00</b>	<b>88.00</b>	<b>1,095.00</b>	<b>607.00</b>
Tingo María - Aguaytía - Refuerzo AE	Palmito			52	91			52.00	91
	Cacao modules			410*	410.00			410*	410.00
	Coffee modules			235*	235.00			235*	235.00
	Cattle					25 *	25	25*	25.00
<b>TA Reinforcement</b>		<b>0.00</b>	<b>0</b>	<b>52.00</b>	<b>736</b>	<b>0.00</b>	<b>25.00</b>	<b>52.00</b>	<b>761.00</b>
<b>Total Tingo María - Aguaytía</b>		<b>5,534.50</b>	<b>2,985</b>	<b>6,378.50</b>	<b>6,403</b>	<b>0.00</b>	<b>113</b>	<b>11,913.00</b>	<b>9,501</b>

\* Hectares are not counted in this case

Table 5

## b. Regional Office of Ucayali R379, R217 and Plan 2006

At this point we have finished reformulating the projects and these are being launched.

It is important to mention that regarding last quarter's report, there was a mistake at the time of consolidating the reports for Neshuya and Puerto Inca. These reported an excess of 1,198 ha which were physically and technically unsubstantiated. To date, of the 14,126.75 ha lying within the jurisdiction of the Regional Office of Ucayali, 51.87% have already been completed and 36.92% are still in progress. Those projects that are still in progress are largely made up of R-379 and R-217 strategies. This quarter 1,764.50 ha should be launched, however, 91.10% of these (1607.50 ha) in fact belong to Plan 2006.

This Regional Office has also made efforts to improve technical assistance and thus step-up the quality of the produce being produced by some of the projects. Cacao growers have been the most benefited by this.

Ucayali Regional Office Economic Activity Status

Office	Product	Conclude		Under Execution		Pendiente		Total	
		Ha	Familias	Ha	Familias	Ha	Familias	Ha	Familias
Ucayali R-37	Cotto	4,968.0	3,172.0	98.0	66.0			5,066.0	3,238.0
	Caca			2,213.75	1,875			2,213.75	1,875.0
	Corn	330.00	23					330.00	236.00
	Soil improvement	2.0	2			62.0	31	64.00	33.00
	Palma Aceitera			1,054.00	560			1,054.00	560.00
	Grasses	1,891.00	1,417.00	559.0	49			2,450.00	1,912.00
	Plantain	136.0	15	29.0	29			165.0	182.0
	Rice	1.00	70.0						1* 70.0
<b>Sub Total R-379</b>		<b>7,327.0</b>	<b>5,05</b>	<b>3,953.7</b>	<b>3,025</b>	<b>62.00</b>	<b>31</b>	<b>11,342.7</b>	<b>8,106</b>
Ucayali R-21	Cacao			215.00	53.00			215.00	153.00
	Palma			94.00	59.00			94.00	59.00
	Casava			638.00	335.00	95.00	80	733.00	615.00
<b>Sub Total R-</b>	<b>0.00</b>	<b>0</b>	<b>947.00</b>	<b>747</b>	<b>95.00</b>	<b>80</b>	<b>1,042.00</b>	<b>827</b>	
Ucayali P-200	Cacao					421.50	183.00	421.50	183.00
	Grasses			134.5	67	109.00	90	243.50	157.00
	Citric fruits					12.00	12.00	12.00	12.00
	Pepper					16.00	16	16.00	16.00
	Bird modules *					58.00	58.00	58.00	58.00
<b>Sub Total P -</b>	<b>0.00</b>	<b>0</b>	<b>134.50</b>	<b>67</b>	<b>616.50</b>	<b>359</b>	<b>693.00</b>	<b>426.00</b>	
AT 2006 Strengthening	Palmito					80.00	80.00	80.00	80.00
	Cacao					969.00	969.00	969.00	969.00
<b>Sub Total Refuerzo</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>1,049.00</b>	<b>1,049</b>	<b>1,049.00</b>	<b>1,049</b>	
<b>AE Total Ucayali</b>		<b>7,327.0</b>	<b>5,05</b>	<b>5,085.2</b>	<b>3,83</b>	<b>1,822.5</b>	<b>1,51</b>	<b>14,126.7</b>	<b>10,40</b>

\* No se cuentan en hectáreas

Table 6

### c. Regional Office of San Martín R379, R217 and Plan 2006

During the present cacao campaign, approximately 40% of plantations installed during the R379 stage have begun to produce their first harvests at a rate of approximately 30 kg/ha. Productivity is expected to rise over the course of the next few years, as the capacity of the plant increases. This will require ensuring that the plant is adequately maintained and correctly used by the beneficiaries.

- In the reporting quarter, activities to reinforce our technical assistance to signatory communities were begun. The aim was to strengthen the productive activities in 6 communities that had developed annual crops. We began by launching a project for the installation of 351 ha of cacao, and thereby boost their economy by planting a long term crop.
- We drew up projects to comply with the requirements of Plan 2006 as its grant agreements were approved in December.
- In the northern sector of this region, we installed 498 ha of cacao included under Plan 2006. We also trained the farmers on how to build a nursery, prepare the subsoil and plant the cacao seeds. All beneficiaries received bags and seeds.
- In the southern sector, ACOPAGRO has started an organic cacao certification process, and for this it has begun to select potential lots and beneficiaries.

Coffee is the second field crop supported by the program, and reports following achievements:

- Approximately 572 ha of coffee crops are being supported in the northern sector, while 109 ha of coffee crops are being installed in the communities of Nueva Esperanza, San Regis and Pasarraya, located in the southern sector.
- Technical assistance was provided to 257 ha for the installation of crops while 261 ha received technical assistance crop continuation as per Plan 2006 which includes 22 communities located in the provinces of Lamas and El Dorado. Work in the latter province is being carried out by Cooperativa Agraria Cafetalera Oro Verde. The implementation of the Agreement for these hectares will begin next February.
- We began providing technical assistance and launching the Grant Agreement for 466 ha of coffee crops in Shapaja, Sauce and Tres Unidos, in an effort to strengthen the areas that already have existing coffee crops.

Resumen del Estado Agronómico por cultivo en San Martín

REGIONAL OFFICE	CROP	CONCLUDE		UNDER EXECUTION		PENDIN		TOTAL	
		Hás	Families	Has	Families	Hás	Families	Has	Families
SAN MARTIN R-379	Cacao			4,805.00	4,604			4,805.00	4,604
	Corn	1,513.00	1,513					1,513.00	1,513
	Grasses					37.00	37.00		37
<b>Sub Total, R-379</b>		<b>1,513.00</b>	<b>1,513</b>	<b>4,805.00</b>	<b>4,604</b>	<b>37.00</b>	<b>37</b>	<b>6,355.00</b>	<b>6,154</b>
SAN MARTIN R-217	Arroz	468.00	468					468.00	468
	Cacao			2,380.00	2,380			2,380.00	2,380
	Coffee			681.00	681			681.00	681
	Pijuayo			163.00	163			163.00	163
<b>Sub Total, R-217</b>		<b>468.00</b>	<b>468</b>	<b>3,224.00</b>	<b>3,224</b>	<b>0.00</b>	<b>0.00</b>	<b>3,692.00</b>	<b>3,692</b>
SAN MARTIN PLAN 2006	Cacao			498.00	498	109.00	109.00	607.00	607
	Coffee			518.00	518				
<b>Sub Total, Plan 2006</b>		<b>0.00</b>	<b>0.00</b>	<b>1,016.00</b>	<b>1,016.00</b>	<b>109.00</b>	<b>109.00</b>	<b>607.00</b>	<b>607.00</b>
Refuerzo AE	Cacao			351.00	351.00			351.00	351
	Coffee			466.00	466.00			466.00	466
<b>Sub Total, Refuerzo AE</b>		<b>0.00</b>	<b>0.00</b>	<b>817.00</b>	<b>817.00</b>	<b>0.00</b>	<b>0.00</b>	<b>817.00</b>	<b>817.00</b>
<b>TOTAL SAN MARTIN</b>		<b>1,981.00</b>	<b>1,981.00</b>	<b>9,862.00</b>	<b>9,661.00</b>	<b>146.00</b>	<b>146.00</b>	<b>11,471.00</b>	<b>11,270.00</b>

Table 7

#### d. Regional Office of Tocache R379, R217, Plan 2006 and Post-Eradication

During the IV Quarter of 2006, the Economic Activities component working out of the Regional Office of Tocache carried out a number of activities to materialize the Annual Operating Plan (AOP) both for those communities that signed framework agreements as part of the voluntary eradication program and also for those communities that signed letters of understanding as part of the post-eradication program. Main tasks included:

##### Post eradication:

- Coordination meetings with Cooperativa Agroindustrial Tocache Ltda., (CAT) executives, to implement the CD 257 – Install 1,760 hectares of cacao, maintain 400 hectares of cacao, install 200 hectares of rice, 200 hectares of corn, 200 hectares of bananas and maintain 100 hectares of bananas in communities lying within Tocache and Pólvara.
- Coordination efforts with ACEGAL – AH, ASPROT, IIAH, Cooperativa la Divisoria. Each and every grantee has been introduced to each of the PDA-affiliated communities.

- Field work has been supervised on site, especially in the nurseries and cacao plantations being run by the Cooperativa Agroindustrial Tocache.
- We have selected and made contact with a number of potential suppliers of animals and services, bird manure, phosphate rock, transport companies, tool suppliers, pigs, smaller animals, etc. with the aim of supporting grantees with their projects.
- We have continued to keep close contact with the technicians and individuals responsible for the palm oil and cacao projects administered by NNUU and have undertaken a series of joint field missions.
- We have held information meetings in the communities of Filadelfia, Bambamarca, San Juan de Canutillo, Naranjal and Pólvora.

### **R379, R217 and Plan 2006:**

Of the total of cacao crops being implemented by the PDA in Tocache, roughly 36% are at the maintenance stage and 64% are near to completing the grafting stage under the supervision of the technical assistance team.

In order to check the degree of advancement reported by the technical assistance team, we visited the cacao project a number of times to verify the reported activities involving grafting, installation of temporary/permanent shade, training etc. This supervision work was coordinated with the technicians assigned to each area. Among the communities we visited were: Alto Progreso, Cerro Dulce, Mantención, Nuevo Jerusalén, Túpac Amaru, wherefrom we obtained the following results:

- With respect to the number of plants installed per hectare, this has been successful in installing 80%.
- Successful plant grafts account for roughly 61.38%.
- Regarding custom-tailored technical assistance, this has been provided by one technician and one promoter on each occasion, at an average rate of 1.51 visits per month.
- With respect to the delivery of tools and supplies:
  - Bird manure: some beneficiaries were due to receive 10 sacks of bird manure but in fact only received 9.25 sacks per family, on average. Those who were due to receive 5 sacks of bird manure received 4.48 sacks. If we add up all of the amounts that were not delivered as initially programmed, there are still 820.5 sacks pending delivery for the installation of cacao and 312.00 sacks for the maintenance of cacao crops. This totals 1,132.5 sacks = 56.625 tons of bird manure.
  - Pruning shears: roughly 118.58 pruning shears still have to be delivered.

In order to improve these results, as from next quarter we will be increasing the number of technicians to organize and train the farmers so that they are better equipped to administer their lots and carry out the grafting work more efficiently. All this will contribute to improve their production in the long-run.

Talks were held with Cooperativa Agroindustrial Tocache to expedite the process to purchase the de-pulper machines for the communities of Shunte and the tools for the community of Pueblo Libre. The TDR was also prepared for

hiring a consultant who will be responsible for providing technical assistance for the installation of 9 ha of banana crops.

We also began supporting 8 families who prioritized cacao crops as part of Plan 2006. This leaves us with only 10 families waiting to receive their fish farm modules.

Resumen del Estado Agronómico por cultivo en Tocache

REGIONAL OFFICE	CROP	CONCLUDE		UNDER EXECUTION		PENDIN		TOTAL	
		Hás	Families	Has	Families	Hás	Families	Has	Families
TOCACHE R-379	Rice	201.00	201					201.00	201
	Cacao			1,740.00	1,740			1,740.00	1,740
	Coffee			303.00	303			303.00	303
<b>Sub Total, R-379</b>		<b>201.00</b>	<b>201</b>	<b>2,043.00</b>	<b>2,043</b>	<b>0.00</b>	<b>0</b>	<b>2,244.00</b>	<b>2,244</b>
TOCACHE R-217	Cacao			131.00	131			131.00	131
	Coffee			130.00	145	78.00	87	208.00	232
	Plantain			9.00	9			9.00	9
	Pineapple			5.50	22			5.50	22
<b>Sub Total, R-217</b>		<b>0.00</b>	<b>0</b>	<b>275.50</b>	<b>307</b>	<b>78.00</b>	<b>87</b>	<b>353.50</b>	<b>394</b>
TOCACHE PLAN 2006	Cacao			8.00	8			8.00	8
	Fish module					8*	10	8*	10
<b>Sub Total, Plan 2006</b>		<b>0.00</b>	<b>0.00</b>	<b>8.00</b>	<b>8.00</b>	<b>0.00</b>	<b>10.00</b>	<b>8.00</b>	<b>18</b>
	Arroz			108.00	118			108.00	118
TOCACHE- POST ERRADICACION	Cacao			1,775.00	1557			1,775.00	1,557
	Coffee					281.00	206	281.00	206
	Corn			97.50	103			97.50	103
	Small Animal Modules			24*	23			24*	23
	Palma Aceitera			276.00	70			276.00	70
	Grasses			6.00	10			6.00	10
	Plantain			54.00	51			54.00	51
<b>Sub Total, Post-Erradicación</b>		<b>0.00</b>	<b>0.00</b>	<b>2,316.50</b>	<b>1,932.00</b>	<b>281.00</b>	<b>206.00</b>	<b>2,597.50</b>	<b>2,138</b>
AT Strengthening	Arroz			25.00	25.00			25.00	25
<b>Sub Total, Refuerzo AE</b>		<b>0.00</b>	<b>0.00</b>	<b>25.00</b>	<b>25.00</b>	<b>562.00</b>	<b>412.00</b>	<b>3,337.00</b>	<b>2,626</b>
<b>TOTAL TOCACHE</b>		<b>201.00</b>	<b>201.00</b>	<b>4,643.00</b>	<b>4,290.00</b>	<b>359.00</b>	<b>303.00</b>	<b>5,203.00</b>	<b>4,794.00</b>

Table 8

#### e. Regional Office of the VRAE R379

In the reporting quarter, (Oct-Dec 2006) the Regional Office of the VRAE has given priority to providing technical assistance to cacao and coffee plantations in the form of phytosanitation control, integrated plague management so as to control the coffee bean beetle and monyiasis in cacao, fertilization, installation and management of nurseries for improving plant quality, and finally, implementation of forest nurseries with wood species growing naturally in the area so as to diversify the permanent shade.

Our efforts have also focused on teaching farmers how to prepare their own organic manure using material from their own plots of land. In Anco, this initiative resulted in the production of 20 metric tons of bocashi to use as fertilizer for the cacao and coffee plantations. A series of nurseries producing various native and exotic wood trees were installed to be used as alternatives for managing shade. These include species such as cedar, 'aceite maría', red pine and 'diablo fuerte.' Seedbeds of native forest species have also been planted over an extension of 23 m<sup>2</sup> and include species such as 'quinacho', 'pashaco' and 'palo de acero.' The idea behind this initiative is that it will also help to mitigate any future environmental impact as the trees grown here may eventually be used to reforest any areas adjacent to beneficiary lots that may have been affected. This type of activity is also contributing to sensitize farmers, making them more interested in forestation and the production of fertilizers.

Technical assistance staff assigned to the Regional Office of the VRAE also organized 3 workshops: Action Plan for the Safe Use of Pesticides,

Agroforestral Systems Management and Soil & Water Conservation in the Jungle. We also sponsored the APPCACAO's I Decentralized Cacao Workshop. These training workshops were oriented towards the technicians working for PDA sub-contractors, PDA partners, public and private institutions committed to promote the development of farming activities in the VRAE and especially PDA- promoted activities; to update and standardize their knowledge and expertise.

Resumen del Estado Agronómico por cultivo en el Vrae

DIRECCION REGIONAL	CULTIVO	CONCLUIDO		EN EJECUCION		RENUNCIANTE		TOTAL	
		Has	Familias	Has	Familias	Has	Familias	Has	Familias
VRAE R-379	Cacao	269.50	148	2,718.00	2,765	1,233.50	1,425	4,221.00	4,338
	Café	34.00	34	1,144.50	1,324	592.25	646	1,770.75	2,004
	Mani	275.75	304					275.75	304
<b>TOTAL VRAE</b>		<b>579.25</b>	<b>486</b>	<b>3,862.50</b>	<b>4,089</b>	<b>1,825.75</b>	<b>2,071</b>	<b>6,267.50</b>	<b>6,646</b>

Table 9

### Information System Module for Economic Activities

At this stage we are incorporating the results of our field supervision work into the information system. Although our human resources for this type of work are quite limited, this should help to optimize our project implementation efforts.

### Lessons Learned

- a) The ECAs have become strategic allies for transferring the responsibility to farmers for the management of their plantations, by acknowledging the skills developed by the farmers and sharing their farming experiences.
- b) Economic Activities specialists and coordinators must update the data fed into the information system to ensure that all projects are being carried out correctly and to monitor their progress.
- c) Regional Offices should monitor the information provided by the subcontractors on an on-going basis and inspect their work in the field.
- d) It is important to update the communities on the progress of their projects regularly. This helps to keep things clear regarding project management.

### Recommendations

- a) It is very important to move forward with terminating the grant agreements that have been concluded as there are increasingly more projects being concluded every time.
- b) We must prioritize the use of the information system. It must be understood as a basic tool for Economic Activities' specialists and as a source of information at management level, for decision-making.
- c) The Regional Offices should draw up a rigorous project supervision plan. Such a plan should include the participation of experts in Performance and Monitoring, Economic Activities, Environment and most importantly grantees so that together, they can come up with a solution for avoiding the bottle-neck situations that tend to slow down the pace of the projects. This exercise would help to provide helpful feedback and create proposals for project-management that are in tune with real life in these areas.

# **NATURAL RESOURCES AND ENVIRONMENT**

## **1. Executive Summary**

The activities of the Natural Resources and Environment division for the present quarter have been developed according to plan in each of the Regional Offices. Activities were focused on the environmental assessment program (PEA) which entailed preparing preliminary environmental assessments, carrying out environmental inspections on the implementation of the productive and infrastructure projects and conducting inspections of the forest programs currently under execution.

During the reporting period, we carried out the 2006 environmental auditing, the results of which will be given as part of a locally held workshop involving all PDA partners.

We also continued implementing the R379 projects for local forests, forest management in native communities and privately owned plots, and reforestation.

## **2. Objectives of the Natural Resources Management Component**

To promote and establish legal economic activities based on the responsible use of forest resources in such a way that the participating population may have access to better living conditions.

To ensure that all of the projects undertaken by PDA are executed in conformity with Peru's environmental legislation and USAID's environmental regulation N°216.

## **3. Results**

### **3.1. Projects executed –economical activities involving the use of forest resources**

The following sections provide a series of comments on the projects executed during the last quarter in 2006.

#### **Local forests and carpentry modules**

Drafting of the General Forest Management Plans and the Annual Operational Plans (GFMP/AOP) for 3 communities: 2 in San Martin and 1 in Aguaytia, is presently undergoing a bidding process to select the consulting firms who will be awarded de contract for drafting these two plans (GFMP and AOP).

Regarding the Carpentry Modules in the local forest of Gosen (Aguaytia), the machines are currently being manufactured. In the case of the Alto Santa Cruz (Tocache) carpentry project, this is still pending approval. Together these two communities benefit 115 families holding 850 hectares.

INRENA has already approved the GFMP and AOP technical files for the local forest of Mantención which covers an extension of 464 hectares, and the ones for Alto Santa Cruz.

### **Forest management in privately-owned plots**

In Ucayali, privately owned plots continue to be developed. The 4 communities in which the project was applied are Santa Cruz, Nueva Bellavista, Mar de Plata and Miguel Grau. They all belong to the district of Irazola.

### **Forest Management in privately-owned forests**

A proposal for carrying out technical monitoring on the certified hectares contained within the native communities of SINCHI ROCA and Santa Martha has been drafted. We are waiting for the project to be approved to start providing technical support to these certified forests.

### **Rubber project**

We have started providing technical assistance to the rubber project located in the native community of Santa Martha. This is a 5-month assistance program.

This project benefits 55 community members of the 66 members forming ECOMUSA.

### **Conservation Areas**

The terms of reference for executing the study have been completed. This project benefits 70 families, generating 160 wages.

### **Agroforestry Projects**

We have finished formulating the agroforestry projects for 6 villages located in the district of Piscoyacu: Nuevo Piscoyacu, Jose Olaya, La Pedrera, Huaccha, Primavera and Nuevo Sacanche. This was done using the forest diagnostic for each of these villages as a basis. The next step is to pass these proposals to the Central Office for approval.

### **Installation of a Nursery and Reforestation project in San Roque de Cumbaza and Pachiza**

These projects for the installation of a nursery and the reforestation of 60 and 100 hectares in the communities of San Roque de Cumbaza and Pachiza, have already obtained grant agreements. We hope that under the new management, we will shortly be able to start-up their execution.

Both projects are supported by the PDA, the communities involved and their respective municipalities. They will benefit 120 families and create 435 paid jobs.

Table 1: Projects executed: economical activities involving the use of forest resources

Description	Unit	Tingo Maria	Ucayali	Tocache	Tarapoto	Total
Local Forests	Hectares	362		488		850
	Beneficiaries	72		43		115
Carpentry Modules	Hectares	362		488		850
	Beneficiaries	72		43		115
Forest management in privately-owned plots	Hectares		43			43
	Beneficiaries		43			43
Forest management in privately-owned forests	Hectares		54,901			54,901
	Beneficiaries		361			361
Rubber project	Hectares		3000			3000
	Beneficiaries		55			55
Conservation areas	Hectares				70	70
	Beneficiaries					
Agroforestral projects	Hectares				135	135
	Beneficiaries				135	135
Reforestation	Hectares				160	160
	Beneficiaries				120	120

## 3.2 Implementation of the PEA

### 3.2.1 ENVIRONMENTAL INSPECTIONS

#### Infrastructure

We have completed preparing the preliminary environmental assessments for all of the coca-valleys (a total of 35) and practically all have produced negative results subject to conditions.

There have been problems related to the non-compliance of environmental regulations on the part of the municipalities, as shown in the environmental inspection reports.

We hope to be able to organize an induction program involving the participation of all of the municipalities, to make them become more aware and reinforce their obligation to adhere to all of the environmental regulations during the development of all project-related activities.

#### Productive Projects

We have completed preparing the preliminary environmental assessments for all of the coca-valleys (a total of 380) and practically all have produced positive results.

The environmental inspections carried out in October reported the appearance of rodents in the oil palm nursery. This sudden infestation was caused by conditions of heavy rain coupled with a general lack of proper weeding. The subcontractor needs to understand that it is essential for him to comply with certain environmental regulations in order to avoid the sudden appearance of

these types of infestations. In view of this situation, it was necessary for the subcontractor to procure authorization from PERSUAP to use pesticides. One of the environmental inspections detected the use of unauthorized pesticides by subcontractors. This has been reported to the contracts division.

### 3.2.2 MONITORING OF ENVIRONMENTAL ACTIVITIES

**Table 2. Inspected Projects**

Regional Office	Files evaluated		Preliminary Environmental Assess.		Environmental Inspections	
	Infrast.	Produc.	Infrast.	Produc.	Infrast.	Produc.
	Tocache	10	12	11	284	1
Tingo María - Aguaytia	9	18	17	63	5	3
Vrae	0	0	0	0	0	0
Ucayali	1	2		2	4	5
Tarapoto	3	4	7	31	117	40
<b>TOTAL</b>	<b>23</b>	<b>36</b>	<b>35</b>	<b>380</b>	<b>127</b>	<b>48</b>

### 3.2.3 Key issues related to PEA implementation include the following:

**Table 3. Future Key Activities**

<b>FUTURE KEY ACTIVITIES</b>
Local workshop on the results of the 2006 environmental auditing
Prepare Preliminary Environmental Assessments with new signatory communities
Induction course for PDA staff to inform them on the environmental activities to be developed with new signatory communities
Environmental inspections on infrastructure and productive projects in communities that have signed the framework agreements
Implementation of General Forest Management Plans and Annual Operational Plans (GFMP/AOP) for local forests in signatory communities
Implementation of the municipal conservation area in San Martin
Development of 2 reforestation projects in San Martin(Pachiza and San Roque)
Start-up the agroforestral project in San Martin (Piscoyacu)
Provide technical assistance to the rubber projects in the community of Santa Martha and Unipacuyacu

## **4. Conclusions and Recommendations**

### **4.1 Lessons Learned**

The induction course given to the different PDA partners on the report published by PERSUAP has been very important as it has helped them to better understand the importance of safety in the management of pesticides, while conforming with environmental regulations.

The PEA implementation process should include permanent induction courses for the subcontractors and grantees in charge of the execution of PDA-supported projects.

### **4.2 Constraints**

We are working with a very tight budget for the environmental activities carried out on infrastructure projects.

Environmental compliance on the part of PDA's subcontractors when executing infrastructure projects has not been fully observed. There are a number of field inspections that report non-compliance in this sense.

The infrastructure project grantees (Municipalities) make it difficult for us to comply with the environmental regulations and works in general because of the interminable delays in acquiring and supplying the materials.

### **4.3 Challenges**

Pave the way towards long-term sustainability of the projects we have implemented, focusing on activities to be carried out by the maintenance committees through ongoing, structured training.

Coordinate with the area of voluntary eradication so as to be able to bid the forest projects in negotiation meetings with the beneficiary communities.

Improve coordination with INRENA in an effort to expedite the approval of the GFMPs and the AOPs.

### **4.4 Recommendations**

Make an effort to better coordinate our activities with the Economic Activities division, so as to ensure the enforcement of all applicable environmental regulations.

The same applies to our subcontractors, and Municipalities (Grantees) who under no circumstances may waive their obligation to adhere to environmental legislation in the development of PDA-supported infrastructure projects.

## **CHAPTER IV: COMMUNICATIONS**

### **2.1 Strategic planning process for communications**

During the last quarter of the year, we were engaged in articulating our work program with the Local Development component, not only to carry out the community communications platform but also to ensure the sustainability of PDA's investment. Joint planning with CEDRO is key for community work. The planned and executed public opinion strategies have contributed to maintain and/or improve PDA's presence in the media. The monitoring instruments that we have applied have allowed us to adjust the strategic activities according to the results obtained results in the previous quarter.

We continued to execute the Community Communications and Public Opinion Platforms with USAID partners and the different PDA components (Economic Activities, Local Development and Environment).

Among the IV Quarter's main activities are:

- Articulation of our work with PDA's Local Development, Environment and Economic Activities components. In particular, communication support was provided through sensitization campaigns and materials, and community communications, oriented at supporting the sustainability of PDA's investment in the Potable Water Systems (SAP: Sistemas de Agua Potable).
- The Regional Technical Committee for Communications was formed and is made up by the PDA, DEVIDA and CEDRO. Its broader scope affiliates (other USAID partners and public sector representatives) are directed by DEVIDA and the PDA's Local Development area.
- Joint CEDRO-PDA planning efforts have also been consolidated and we now have a formal joint-work schedule for each area. This articulation has been fundamental for heightening the impact of our community communications and public opinion efforts.
- The monitoring and following-up of the operative plans have helped us to identify the progress made by each of the strategic activities formulated for each regional office. Moreover, monitoring work has allowed us to make necessary readjustments to our activities, based on the results.

### **2.1 Public Opinion Platform**

During the reported quarter the Communications area has continued to promote the program's activities through coordinated work with local and national scale media. Its has also created a series of products to this end.

## 2.1 An overview of PDA's achievements.

With the objective of drawing the attention of the urban audience in Lima and rural regions of Peru, examples of successful cases and program advancement in the rural areas were broadcasted by the Communications area. Some of the more significant events included:

## 2.2 Land Title Ceremony

The final phase of the formalization process for thousands of families of the Ucayali Region included the attendance of top echelon authorities representing the various institutions involved in this process i.e. the Minister of Agriculture, the Director of PETT, the Director of DEVIDA, the US Ambassador, the Director of USAID, etc. Thousands of beneficiaries received over 2,500 land titles. The ceremony was organized by an inter-institutional team in which the PDA played a key role. Graphic material (information posters and flyers) and a local and national scale dissemination plan was prepared, to impact the media on a grand scale (35 regional reporters working in the various river basins and 8 from Lima were brought to the ceremony).

## 2.3 XI Semana del Comercio Exterior 2006 (XI Foreign Trade Week)

Between October 11-23, Chemonics participated in the XI Semana del Comercio Exterior 2006, sharing a stand with USAID, DEVIDA, the PRA Project and the PDA. Our presence proved to be very relevant in so far as it permitted us inform a specialized and business-related audience, about the products produced in the basins where the PDA has promoted business ventures with its partners and beneficiaries and how they have been successfully marketed. It was also an extraordinary opportunity to inform visitors on the PDA's contributions and the various challenges that the program has had to face in the areas it operates.

## 2.4 Amazonian Network of Communicators

IV Encuentro Regional y I Asamblea Estatutaria Red de Comunicadores por el Desarrollo de la Amazonia (Regional Meeting and I Statutory Assembly of Amazonian Network of Communicators)

This was held October 12-13 and marked the beginning of the maturity of a sustainability process, as its organization, recognized by the local networks, should lead to the establishment of links with new strategic allies.

Conferences were programmed for the first day of the event and included the participation of executives who run national and regional scale media companies. Themes such as social responsibility as experienced by reporters were addressed. On the second day, the administrative report presented by the president of the Network was evaluated, bylaws were discussed and approved, and a new board of directors was elected.

Participants included five delegates from each Network: Tarapoto, Juanjui, Tocache, Pucallpa, Aguaytia, Tingo Maria, Huamanga, Huanta and VRAE, and 25 news reporters from Tingo Maria and Aucayacu (hosts).

## 2.5 Creativity Workshop for CEDRO's Network of Young Reporters

Over 40 young reporters from all of PDA's target areas took part in this two-day workshop led by the well known publicist, Manuel Echegaray. Among some of the themes addressed were communications and the manner in which new tools can be applied to improve the social welfare campaigns, which these youths have been working on. There was a climate of widespread acceptance and enthusiasm. The number of participants exceeded the expected number. At the end of the workshop a survey showed that 48% of the interviewed young reporters were of the opinion that this workshop was the best they had participated in while the other 48% rated it as one of the best they had ever attended.

## 2.6 Dissemination of PDA's achievements through the regional media

During the reporting period, we continued to market PDA's promotional mix according to the following program:

## 2.7 Production of radio programs and airing of radio and TV spots

- During the reported period, 558 fifteen-minute radio spots were broadcasted during peak times through every local radio station in the localities of Tingo Maria, Aucayacu, Pucallpa, Puerto Inca, Aguaytia, San Francisco, Huanta, Juanjui, and Uchiza.
- In the city of Tarapoto, the PDA has two daily radio programs: Palabra de Mujer, which is directed and conducted by communities' women (Radio Tropical); and El Vocero de Huallaga, which is directed at the rural population and reaches the populations of Chazuta, Barranquita, Huipayo, Chipurana, San Jose de Sisa, Picota, and Sauce, and others. A total of 66 programs were broadcasted during the reported period.
- We promoted local reporters to engage in work experiences in all of PDA's target communities. Twenty media companies took part in this program (in Tarapoto, Juanjui, Pucallpa, Tingo Maria and Aguaytia).
- We managed to improve the skills of the regional communications teams who produced 36 press releases during the reported period. This effort has had a significant impact and boosted the presence of the PDA in the regional media.
- An intense radio effort was carried out in Pucallpa and Aguaytia, to promote PDA's participation in the handing-over of over 2,500 land titles. This effort included 9 radio stations and was broadcast during the first two weeks in October.

## 2.8 Production of audio visual material

The post-production stage of the miniseries Tiro de Gracia, which consists of 10 one-hour television chapters, was completed. This series was carried out by Iguana Producciones and delivers a clear message on the narcotrafficking problem which affects our country. Final stage negotiations with America Television are under way for the broadcasting of this production during the first quarter of 2007.

The production stage has been completed, and the post production stage of the PDA INFORMA VI which contains reports on the production projects another themes associated to the cooperation of the PDA been initiated.

A five-minute video special on the work of the PDA in Juanjui was produced an edited, on the occasion of the visit which five State Ministers and the President of DEVIDA to various communities in this jurisdiction.

## 2.9 Graphic Production

We prepared a foldable pamphlet highlighting the advancement of PDA's Economic Activities, under the slogan "Land which Produces Progress" (Tierra que produce progreso). This material was initially distributed during the XI Semana de Comercio Exterior.

## 2.10 The Tocache Plan

- During the reported quarter efforts have been made to disseminate the program's work and strengthen PDA's position in the Tocache area. This is a strategy to begin mitigating the anti-PDA intervention sentiment in this region.
- Ten-minute segments with updated information on PDA's work have been broadcasted through the following news programs: Tocache en la Noticia, Avanzando en el Campo, Prensa Sin Fronteras, Impacto, Noticiero Marginal, Así Somos Así Estamos, Dialogando con el Pueblo, Noticiero Voz Celestial, Los Charapas de la Risa, Noticiero de América, Hora Clave de Radio Libertad. In addition we continue with our two/day 60-minute radio programs: El Sembrador and Surcando el Campo.
- Radio spots on specific themes related to PDA's work have also been aired. These focused on PDA-supported projects such as the construction of the Huaquisha- La Florida- La Muyuna road, fish-farms and pig raising programs, as well as community activities and sport events.
- Smaller scale radio campaigns were developed with the participation of various partner institutions under the slogan "institutions at work for the development of Tocache" and others, oriented towards informing the public on the number of PDA-signatory communities.

- We organized intercommunity sports events (soccer) under the slogan “A struggle for peace, development and a drug-free life style.” These sporting events were carried out in 35 communities of Nuevo Progreso, Shunte and Tocache with the participation of beneficiary families. Still to be carried out are championships in the district of Polvora, which will involve the participation of 25 communities.
- During the month of December, we organized an Information Fair and Carrousel for Development, which were activities organized within the framework of events designed to celebrate Tocache’s 22nd anniversary. CEDRO, MSH and the PDA participated in the celebration of this anniversary.
- We supported the “Workshop on Reporting Styles,” directed at CEDRO’s Network of Young Reporters.

## 2.1 Community Communications Platform

During the IV Quarter, we worked towards strengthening the process which was initiated with the Shared Vision for the Future workshops in Ucayali, San Martin, Tingo Maria and Aguaytia. Close coordination with partners and other PDA components continues to be fundamental for the development of community communications activities oriented towards generating a behavioral change in the population. Community members’ participation in the Community Communications Platform has grown progressively and we can now say that there is an evident and favorable change in the attitude of farmers and their families with respect to opting for a legal life style.

The implementation of the Community Communications Platform continues to make good progress. More communities have benefited from the Shared Vision for the Future workshops and there have also been more ‘malocas’ constructed (some are still undergoing construction). Moreover, we have organized initial intercommunity meetings in some of the target areas in Ucayali (Puerto Inca) and we have also taken the first steps towards discussing and negotiating development goals with local governments.

Some of our main achievements for the reporting quarter include:

- The organization of 26 workshops on the construction of a future vision (12 were carried out in San Martin, 5 in Aguaytia, 3 in Tingo Maria and 6 in Ucayali. Three USAID partners (CEDRO, MSH and APRENDES) were involved in these workshops which involved the participation of around 1,170 families.
- We undertook 15 public presentations of the video *PDA Informa en San Martín* with the participation of approximately 450 beneficiary families.
- Two information fairs were carried out in San Martin with the participation of 8 partners and/or strategic allies. Around 400 families received information on the PDA and its partners.

- Two caravans for development were carried out in San Martin. This involved the participation of roughly 600 people of all ages.
- Thirty-four sensitization campaigns were organized in Tingo María, Aguaytia, San Martin and the VRAE, to educate the people on the adequate use of potable water. Approximately 1,740 signatory families participated in these campaigns.
- Five thousand posters were produced and distributed emphasizing the importance of the safe water systems installed by the PDA.
- Two sports championships were promoted in San Martin and the VRAE. The opportunity was used to disseminate information about the PDA.
- Sixteen community meetings were held in Tingo Maria and Aguaytia to disseminate messages on PDA-supported development and the progress made to date.
- Eight environmental education campaigns (7 in Ucayali and 1 in the VRAE) were carried out. Approximately 580 PDA beneficiary families took part.
- In Ucayali, two drawing competitions for children were organized under the slogan “Let’s imagine the community we would like to have.” Roughly 40 children from two PDA- beneficiary communities participated.
- Three project-inauguration ceremonies were held in Ucayali and Tingo Maria. These were attended by approximately 290 families.
- One opening ceremony for the informative ‘maloca’ was held in the Zona Patria community in Ucayali, with the participation of approximately 120 families.

## **2.1 Lessons Learned**

- The promotion of PDA activities at central level – through special events such as ceremonies to hand-over land titles – has contributed enormously towards improving the program’s image on a national scale (publicized by Lima’s communications media). In this context, the cost-benefit factor is highly profitable for the program (i.e. the cost to transfer reporters from Lima the PDA’s intervention areas).
- The strengthening of the production capacity of reporters in PDA’s target areas has also been an important learning experience as it produced important publications in the regional media. The media likes to publish encouraging and quality information as a means of contributing to regional development.

- The tools proposed for monitoring and following –up the operations must be simplified if we want to exploit the benefits.
- Coordination with the Local Development component needs to be pre-programmed so as to define our joint actions in the medium term and must be focused on the design and implementation of strategies on two fundamental fronts: to guarantee the sustainability of PDA’s investment and to procure the support of the new local governments for cooperative work with the program in favor of the communities which have opted for a legal life-style.
- Close collaboration with CEDRO is fundamental for improving strategical impact in the communities and must continue. A second stage should involve the collaboration of MSH and APRENDES in those environments where they work together with the PDA.

## **2.1 Activities planned for the next Quarter**

- In the upcoming months, we shall proceed to establish a solid base so as to be able to consolidate powerful public opinion platforms in Tarapoto, Tocache, Tingo Maria, Pucallpa and Huamanga. The idea is to guarantee a permanent and efficient dissemination strategy to publicize PDA’s work and achievements through the media, political authorities, public opinion leaders, public and private institutions, etc. We recommend hiring an expert for this.
- The PDA’s successful experiences and achievements will also be made public through a range of different products ranging from information leaflets (oriented, for example, to USA congressmen) to more consistent publications describing legal life-styles in the coca basins, via pamphlets, multimedia products, audiovisual products, and others.
- At community level, we shall assess the Community Communications Pilot Plan developed in Ucayali. This exercise will help us identify the need for adjustments.
- The monitoring and following-up of the implementation of regional operative plans will have an informative platform which will permit reports of aspects of executed programs in real time. This activity has been reprogrammed for the first quarter of 2007.
- The Community Communications Platform will move on to its next stage. Inter-community events will be carried out to share the proactive vision for development and at least one public meeting will be arranged with the recently elected authorities.
- We shall continue to coordinate efforts with the Economic Activities component so as to promote successful legal crops through fairs and festivals, incorporating the private sector and local and regional governments. We shall also continue to

produce educational materials to distribute technical information on PDA's productive activities.

- Environmental campaigns will continue, with special emphasis on San Martin, Ucayali and the VRAE.
- A joint Local Development -Communications program will serve to strengthen the communities' management skills. We have already begun working on the production of educational material for this.

## **CHAPTER V: PERFORMANCE AND MONITORING**

### **Progress made on the Information System:**

The main tasks and achievements for the October – December 2006 quarter included:

- Developing the natural resources and environment module so as to be able to monitor the proposed projects more closely and also to help us keep informed on the status of the infrastructure and productive projects requiring environmental measures.
- Developing and implementing programs designed to terminate the contracts related to infrastructure projects. This involved the participation of the technical area (infrastructure), the financial area (financial approval) and contracts (final closure).
- Developing the module for purchase orders for the local development component. This will enable the local development component to decentralize its work as it will be able to obtain input from the Regional Offices directly, and incorporate these investment amounts into the reports on a community-by-community basis.
- Information System training directed at the economic activities module in the Regional Office of Ucayali and its respective operation units: Puerto Inca and Neshuya.

### **Tasks pending for the Information System:**

Develop and implement a module for reporting regional office expenditures. This will be done by designing a process that allows for the integration of both the Accounting System with the M&E's Information System.

Implement the natural resource module in the Regional Offices and then integrate it with the module for contracts and community monitoring cards.

Implement the module for purchase orders for the Local Development component at Regional Office level and incorporate these projects into the community monitoring cards.

Develop a module designed to administer the information pertinent to the Communications Division and integrate it into the Information System.

Design management consulting tools based on the requirements of the Regional Offices, Sub-Directorates and Management areas, to allow us to monitor the development of the project's main activities using the information found in the system's data base.

### **Recommendations:**

Provide ongoing training on the use of the Information System and reporting tools, particularly for new employees but also to strengthen the capabilities of staff members who are already familiar with the system.

Monitor the information reported by the economic activities module, and use an alert system when any sort of inconsistency is detected that may potentially affect the quality of the data.

Strengthen the level of Information System documentation and continue standardizing its many variables on the basis of the existing methods for data modeling, the development of applications and above all on the basis of the documentation on planning, system changes, reports and lessons learned.

## **Performance and Monitoring**

We continue to draft the weekly reports on the socialization processes for the 2006 intervention plan. We are also involved in preparing a series of reports and CORVU alerts related to the 2006 intervention plan processes and other points of interest, according to the instructions given by PDA, USAID and DEVIDA.

Field monitoring activities were also carried out in this reporting quarter. This time an activity entitled *Checking the compliance of PDA activities in the R-217 communities* was carried out in the areas of intervention of the Regional Offices of San Martín and Ucayali in October and November, respectively. The objective of this effort was to evaluate the degree of compliance with the commitments subscribed to under the Frame Agreement in R-217, evaluate the extent to which the PDA has contributed towards improving the living conditions of the signatory communities, and measure the performance of the grantees and project-execution contractors.

The staff assigned to the Monitoring and Performance component is responsible for ensuring that the Information System is fully functional and in this sense, is engaged in a series of activities in connection with system management support, CORVU support (used as a consulting tool), providing coordinated and timely information for decision-making.

We have also complied with monitoring the quality of the information entered into the M&E system (socialization, economic activities and infrastructure). Other duties have included controlling and safekeeping the physical documents (agreements, addenda, community rosters and other related documents), digitalizing them and posting them in the M&E system.

## **Next steps**

Next quarter we plan to carry out monitoring and inspection activities on the projects committed to with the R379, R217 and Plan 2006 communities. Work meetings have been programmed for January, involving all of the staff assigned to this division, to propose and formulate the 2007 Monitoring and Performance Plan.

## EXECUTIVE SUMMARY

Chemonics International Inc. is pleased to submit the following Quarterly Report for the period October 1 through December 31, 2006 in accordance with Section F.2 of Contract No. 527-C-00-04-00043-00: Peru Alternative Development (PDA) program. The objective of this contract is to promote the sustained eradication of illicit coca production in Peru; it follows a previous contract (No. 527-C-00-03-00001) which was awarded to Chemonics in October 2002 for the implementation of pilot alternative development activities in Peru and concluded on August 30, 2004. The current contract runs from April 1, 2004 through September 30, 2007. As of the preparation of this Quarterly Report, USAID modified contract No. 527-C00-04-00043-00, extending it to March 30, 2008 and addition funds for a second phase of post eradication activities in Tocache. In addition to the Executive Summary, this quarterly report contains a chapter describing the contextual and security environment, followed by progress made according to project CLINs 2, 3, and 5. CLIN 1, start-up, has been completed, requiring no further reports. CLIN 4, Situational Response, which is focused on unanticipated, yet essential services and goods to support the program, has no specific activities to report during this quarter. We welcome suggestions for the improved organization of the report format.

### Highlights of Fourth Quarter CY 2006

- CADA measured 2,612 hectares during CY 2006, representing 101.9% of the eradication goal.
- 1,306 hectares of coca were voluntarily eradicated during the reporting quarter. This represents 40% of the 2,551 hectares voluntarily eradicated during CY 2006.
- 99% of infrastructure projects completed for R379 (7 in process of completion); 43 completed and 81 underway for R217 (from a total of 124); 22% of projects are underway from 2006 signatory communities (12 of a total of 54 projects)
- 2,543 land titles were awarded to PDA beneficiaries on 22 November in Aguaytia. With the 881 titles previously awarded, this new total represents 79% of the target of 4,300 titles for the PDA contract.
- The annual Programmatic Environmental Assessment was conducted in signatory communities for both infrastructure and productive projects. This assessment gauges contractor compliance with Regulation 216 and other important environmental guidelines necessary for fomenting project sustainability.
- Over 2,000 community fact-sheets were distributed in CY 2006 to inform PDA beneficiary communities of the status of the projects with the objective of facilitating dialogue at the local level regarding PDA implementation.

- Chapter I:* Context and Challenges.  
*Chapter II:* Socialization (CLIN 2: Auto or Voluntary Eradication).  
*Chapter III:* Implementation of Community Programs (CLIN 2: Auto or Voluntary Eradication).  
*Chapter IV:* Communications (CLIN 3: Willingness to Reject Coca Increased).  
*Chapter V:* Monitoring and Evaluation (CLIN 5).

During the reporting period, two events influenced project activities. They underscore the ever-changing climate in which the PDA operates. These events were:

- On 29 November, elections were held at regional, district and local governments. As a result, this reporting quarter was characterized by the challenges posed by mayoral candidates whose municipalities are implementing infrastructure projects and who are also members of local producer associations. At the beginning of the following quarter, we will be meeting with new local, district and regional authorities to help ensure a smooth transition of project implementation as well as to secure political support for new activities at all levels of local government.
- At the end of December, torrential rains caused the Huallaga River to flood in Tingo María and various areas of the San Martín province. We have begun and will continue to work with technical assistance providers, local governments and beneficiary communities to assess damages and provide appropriate support to ensure that PDA signatories receive assistance.

In light of these two events, many project activities were devoted to efforts related to maintaining the commitments of signatory communities as well as providing correct information to both communities and local governments in order to minimize disinformation campaigns utilized by candidates who sought votes. Following is a summary of the key activities undertaken during this period, results achieved, key lessons learned.

### ***Post Eradication Activities***

These activities consisted principally in the execution of productive activities for the 46 communities who had signed Acts of Understanding (Actas de Entenimiento) with DEVIDA before the end of the quarter. There is currently an overall objective of more than 2,800 hectares of crops for these communities. This includes both short term activities such as small animals and annual crops like plantains and rice as well as long term crops such as cacao and palm. The short term crops and small animal projects are currently in execution in addition to 276 hectares of palm and cacao maintenance. The majority of both short and long term crops is implemented by the Cooperative Agroindustrial Tocache (CAT), which the PDA will seek to strengthen through this activity. A key factor in the success of the post eradication intervention is the strengthening of the producer associations through implementation of productive projects in order to increase the extension of their services and reputation in the area. In addition to the CAT, other service providers include ACEGAL (grasses), ACEPAT (palm) and IIAH (small animal projects). The 10 infrastructure projects that have been prioritized will begin execution after the rainy season. The rapid response with regard to the temporary employment programs at the farm level as well as the strong socialization efforts and local communications campaign during the election period have been central to maintaining stability and continued success in the post eradication activities.

### ***Voluntary Eradication***

#### ***Implementation of the R379***

During the reporting period, efforts were focused on formulating projects from the development fund mentioned in the prior reporting period. With regard to productive projects, palm has played a large part in PDA priorities in addition to cacao and coffee.

To this end, a substantial effort was initiated with OLAMSA in Neshuya to distribute palm plants to over 300 beneficiaries with the equivalent of 625 hectares of palm. This project represents an important partnership with a business in the area that will help the PDA forge market links for one of its important long-term crops. With respect to infrastructure projects, 483 of the 490 works financed by PDA have been completed and the others are in execution phase or will enter this phase during the next reporting quarter. Efforts this quarter were focused on the potable water systems in Ucayali as well as the other PDA valleys, where sustainability plans for maintenance committees are being carried out. A special effort was undertaken to evaluate these projects and their sustainability. In the next quarter, we will be presenting progress made in sustainability plans in all PDA valleys as well as strategies to incorporate local actors and other USAID partners in the effort to foment the maintenance of these important infrastructure projects.

### ***Implementation of the R217***

Efforts during this reporting period were dedicated to completing the formulation of projects from this phase. Nonetheless, activities continued at a fast pace marked by the grafting of over 2,700 hectares of cacao in beneficiary communities (half of the total hectares prioritized in the R217 phase) as well as the completion of 35% of infrastructure projects to date. The additional support from the “development fund” projects will help ensure the sustainability of the economic activities of these communities as well as play a key role in maintaining close coordination with the new municipal authorities.

### ***Implementation of the 2006 phase***

The PDA initiated the projects that were prioritized in 2006 signatory communities during this quarter. This included the initiation of productive activities (both installation and maintenance) of 2,253 hectares of both short and long term crops. This represents 75% of the total amount of hectares prioritized in the 2006 intervention. In addition, 12 of the 54 infrastructure projects prioritized for this phase are currently in the execution stage. The others will begin after the rainy season in order to avoid complication in construction and rehabilitation efforts. The timely initiation of activities in 2006 signatory communities has helped build credibility for the PDA in areas where neighboring communities already have projects underway. It is also important to note that 34% of the infrastructure investment in these communities has been financed by municipal contributions in the form of community labor or direct municipal contributions. This increase from 25% during CY 2005 is the product of close ties with municipal governments as well as the focus on securing community contributions for infrastructure projects.

### ***Transfer of Completed Infrastructure Projects***

Due to the highly political nature of the transfer process, the district and local level elections have affected the efficiency of the process due to the absence of many local mayors who have been campaigning during the reporting period. That said, to date, 223 projects have been transferred to 26 different municipalities. This represents 64% of the 346 projects that will be transferred to local governments for their continued maintenance. Furthermore, socialization efforts will be focused on assuring the commitment of new authorities to complete the transfer process and, in this way, maintain the commitments of the municipality to its constituent communities. Transfer processes to the ministries of Health and Education also continued their course with

progress at the local level despite changes in leadership during this quarter, due to the entry of new ministers and their staff in November. These new political appointments were made in the first few months of the Garcia administration, which took power in July. Efforts both in this quarter and the next quarter will focus on maintaining the momentum of the transfers, which are proceeding well despite numerous obstacles.

### ***Program Sustainability***

As mentioned in the prior reporting period, the PDA has undertaken a substantial effort to maximize cost savings in order to focus on sustainability activities in over 700 beneficiary communities. This includes everything from additional investments in economic activities as well as infrastructure projects and a variety of community projects. Additionally, with the objective of focusing on the providers of technical assistance as well as increasing knowledge among beneficiary farmers, the PDA is working in the area of shared experiences in crop management through the Farmer Field Schools, or Escuelas de Campo (ECAs). From an initial agreement to the implementation of over 24 field schools in cacao, the PDA has branched out in order to bring international experience to its agricultural management practices. During this quarter, three PDA specialists attended an ECA conference in Colombia where they were able to share experiences and learn from the success stories with field schools working in coffee. These methodologies and practices will then be incorporated into beneficiary projects in PDA areas to strengthen on-farm practices and help foment more productive farmer to farmer instruction in successful crop management methods. In a related note, the *Concurso Nacional de Tasa de Cafés Especiales* was held in Lima's Jockey Plaza. It was an opportunity for buyers and producers to meet and experience the quality coffees being produced in Alternative Development areas of Peru as well as to underline the necessity to increase awareness in beneficiary communities of the importance of quality in coffee production.

### ***Land Titles***

On 22 November, a large ceremony was organized in Aguaytia for the awarding of 2,543 land titles in PDA communities located within the districts of Padre Abad, Irazola and Curimaná in the Padre Abad province. These titles represent (you need to add the 881 that were previously distributed – also the chart on page one you mention 59 percent)79% of the 4,300 title objective outlined by USAID. Among others, the ceremony was attended by James C. Struble, the United States Ambassador, Rómulo Pizarro, the Director of DEVIDA, Juan José Salazar, the Minister of Agriculture, Roberto Koc, Director of the PETT as well as Paul Weisenfeld, USAID Mission Director and Michael Greene, USAID Alternative Development Director. The representatives of these institutions as well as others from the national and local governments and many beneficiaries attended the ceremony. The ceremony highlighted the importance associated with being a title holder as part of the affirmation of the benefits of a licit lifestyle and the commitment to remain coca-free. The remaining titles are currently in the Public Registry or have since been published in *El Peruano*, (the publication making the title eligible for award) and will be handed out during the next reporting quarter as they become available.

## **Local Development**

Due to the elections in November, the actions in the Local Development component were largely devoted to counteracting disinformation campaigns from candidates as well as ensuring consistent information provision to communities regarding the status of their projects. To this end, more than 67% of the 168 fact sheets to local governments were distributed during the quarter to promote the diffusion of the PDA focus, achievements and prospects for 2007. In the same way, approximately 40% of the 2018 community fact sheets were distributed during the reporting quarter. At the community level, more than 280 workshops were held during CY 2006 with over 10,000 PDA beneficiaries to engage communities in exercises that will foment their vision of development as well as their active participation and leadership in PDA activities. This will help raise awareness in the population regarding their responsibilities and commitment to remaining coca-free as well as becoming active in their communities to promote sustainable development. At the district level, two workshops in Tingo Maria and Tarapoto were conducted with PRODES with the objective of establishing ways in which the outgoing governments could transfer their administration activities to the newly elected authorities as efficiently as possible. Finally, in order to embark communities on the road to sustainability for the infrastructure projects, the Local Development Area helped to form or strengthen over 200 local committees for infrastructure maintenance. These committees will continue to receive support in order that they efficiently maintain communal infrastructure projects such as roads, potable water systems and other community projects.

## **Communications**

The communications component dedicated its efforts to national level campaigns as well as close coordination with other project components and external partners to bolster the effort to maintain the PDA information flowing to local authorities and communities in order to mitigate the negative campaigns against the PDA during the election period. This took the form of the diffusion of local level audio and visual products as well as brochures and other materials highlighting the nature and achievements of the PDA. Other activities included important meetings with the Amazon Journalists Network, a workshop with the Young Journalists Network with CEDRO, the 11<sup>th</sup> International Commercial Exposition and the a key role in the Aguaytia Titling Ceremony. These activities helped engage the assistance of key allies and USAID partners in the ongoing task of promoting PDA achievements as well as fomenting the participation of other actors and local organizations. In the same way, the titling ceremony and the communications products generated from the Commercial Exposition helped position PDA accomplishments in the sphere of national public opinion. These actions were particularly important in the election period to help mitigate the negative discourse of newly elected members of congress who have spoken out against the program.

## **Program Management**

In order to assess the PDA implementation in the R217 communities, an M&E activity entitled *Checking the compliance of PDA activities in the R-217 communities* was carried out in the select areas of the Regional Offices of San Martín and Ucayali. This endeavor had the objective of choosing over 200 beneficiaries in 43 communities in both valleys and checking the status of the implementation of their economic activities in order to take measures to ensure that the new crops in these communities are assured a productive future. The findings in both valleys were positive, showing that the cacao, palmito and coffee crops in plant nurseries and newly tilled fields were in good

condition and demonstrated appropriate progress given their respective agricultural cycles.

Although no funds were disbursed from CLIN 4 during this quarter, PDA teams from the San Martín, Tingo Maria/Aguaytia and Tocache offices initiated tight coordination efforts with local governments and technical assistance providers at the end of the quarter to begin assessing the damage inflicted on PDA beneficiary communities as a result of the Huallaga River floods. We will be reporting the results of these coordination efforts during the next quarter as we begin to address the needs of the communities whose projects were affected by the flooding.

### ***Security and Context***

On October 25, three PDA workers were attacked by members in the community of Tiesto, in the District of Tocache. They were robbed of their belongings and the car in which they were traveling also was slightly damaged. Although the PDA workers were not seriously injured, this incident illustrates the security risks that characterize operating in areas such as Tocache.

### ***Key lessons learned this quarter***

- The major changes in all levels of political authority require special efforts on the part of the PDA to maintain close relations with communities to mitigate against disinformation campaigns as well as to educate incoming authorities about the benefits of supporting the PDA projects. In turn, this helps the local authorities understand the development vision of their communities following the signing of Framework Agreements.
- The coordination with local governments has helped secure financing and community labor for projects as well as to establish the base for sustainability both at the district and local level for infrastructure projects.
- In addition to local governments and communities, technical assistance providers, USAID partners and other PDA allies are crucial in the effort to monitor communities in order to prevent problems with projects as well as to aid in the efforts of a natural disaster such as the flooding of the Huallaga River.
- Groups of farmers who had previously not revealed their coca did so during this quarter and throughout CY 2006, comprising the *Coca No Declarada* hectares. This gesture is a testament to the increased trust developed by the PDA in beneficiary communities as well as the communities' vision of long term development that is participatory and involves all members.
- Communication at the community level, with local authorities and at the national level is necessary in order to promote the achievements of the PDA and USAID programs as well as to neutralize pro-coca proponents. Both in the post eradication scenario as well as in the voluntary eradication implementation, we have observed many instances where communities marginalize and minimize the influence of potential agitators thanks to PDA transparency and propagation of correct information.