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ANDEAN AMAZON

INITIATIVE FOR CONSERVATION IN THE ANDEAN AMAZON

ANNUAL REVIEW – FISCAL YEAR 2008
(OCTOBER 1, 2007 – SEPTEMBER 30, 2008)



April 2009

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LIST OF ACRONYMS

ABCI	Amazon Basin Conservation Initiative
ACA	Asociación para la Conservación de la Cuenca Amazónica (Amazon Conservation Association) (USA)
ACCA	Asociación para la Conservación de la Cuenca Amazónica (Amazon Conservation Association) (Peru)
ACCOT	Asociación de Castañeros de Certificación Orgánica El Triunfo (Association of Organic Brazil Nut Farmers of El Triunfo) (Peru)
ACDI/VOCA	Agricultural Cooperative Development International / Volunteers in Overseas Cooperative Assistance (USA)
ADRA	Adventist Development and Relief Agency (USA)
AED	Academy for Educational Development (USA)
AIDSESP	Asociación Inter-étnica de Desarrollo de la Selva Peruana (Inter-Ethnic Association for the Development of the Peruvian Rain Forest)
ANECACAO	Asociación Nacional de Exportadores de Cacao (National Cacao Exporters Association) (Ecuador)
AOTR	Agreement Officer's Technical Representative (formerly known as a Cognizant Technical Officer or CTO)
APROECO	Asociación de Productores Agroecológicos (Association of Agro-Ecological Producers) (Peru)
ARPA	Amazon Region Protected Areas Program (Brazil)
ASCART	Asociación de Castañeros de la Reserva de Tambopata (Farmers of the Tambopata Reserve) (Peru)
BIC/BICECA	Bank Information Center / Building Informed Civic Engagement for Conservation in the Andean Amazon
CABI	Capitania del Alto y Bajo Izoqog (a grassroots indigenous organization representing the Guarani-Izocenos, (Bolivia)
AFESAM	Group of Coffee Organizations of San Martin (Peru)
CCBA	Climate, Community, and Biodiversity Alliance
CECOVASA	Central de Cooperativas Agrarias Cafetaleras de los Valles de Sandia (Central Coffee Growers Cooperative of the Sandia Valley) (Peru)
CENFOTUR	Centro de Formación en Turismo (Tourism Training Center) (Peru)
CFV	Consejo Boliviano de Certificación Forestal Voluntaria (Bolivian National Voluntary Certification Commission)
CIDOB	Confederación de Pueblos Indígenas de Bolivia (Confederation of Indigenous Peoples of Bolivia)
CIEL	Center for International Environmental Law (USA)

CIMTA	Consejo Indígena de Mujeres Tacana (Tacana Women’s Indigenous Council) (Ecuador)
CIPCA	Centro de Investigación y Promoción del Campesinado (Center for Investigation and Promotion of Small Producers) (Bolivia)
CIPTA	Consejo Indígena del Pueblo Tacana (Indigenous Council of the Tacana People) (Bolivia)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COCLA	Central de Cooperativas Agrarias Cafetaleras (Central Coffee Growers Cooperative) (Peru)
COINACAPA	Cooperativa Integral Agroextractivista Campesinos del Pando (Integral Agroextractive Farmer Cooperative of the Pando) (Bolivia)
CORPEI	Corporación para la Promoción de las Exportaciones e Inversiones (Exports and Investment Promotion Corporation) (Ecuador)
CPI LAP	Central de Pueblos Indígenas de La Paz (Center for Indigenous Peoples of La Paz) (Bolivia)
CSF	Conservation Strategy Fund (USA, Brazil)
CyD	Conservación y Desarrollo (Conservation and Development) (Ecuador)
DANIDA	Danish International Development Agency
DAR	Derecho, Ambiente y Recursos Naturales (Law, Environment, and Natural Resources) (Peru)
DGBAP	Dirección General de Biodiversidad y Areas Protegidas (General Biodiversity and Protected Area Directorate) (Bolivia)
DIRCETUR	Dirección Regional de Comercio Exterior y Turismo del Cusco (Regional Bureau of Foreign Trade and Tourism of Cusco) (Peru)
EGAT	Economic Growth, Agriculture, and Trade (USAID Bureau)
FECONAPIA	Federación de Comunidades Nativas de Puerto Inca y Afluentes (Federation of Native Communities of Puerto Inca and Tributaries) (Peru)
FECONAU	Federación de Comunidades Nativas de Ucayali (Federation of Native Communities of Ucayali) (Peru)
FEINCE	Federación Indígena de la Nacionalidad Cofán del Ecuador (Indigenous Federation of the Cofán Nation of Ecuador) (Ecuador)
FENACOCA	Federación Nativa de Comunidades Cacataibo (Native Federation of Cacataibo Communities) (Peru)
FESPAI	Federación Especial de Productores Agropecuarios de la Provincia Abel Iturralde (Special Federation of Agricultural Producers from the Abel Iturralde Province) (Bolivia)
FN	Fundación Natura (Nature Foundation) (Colombia)
FONDAM	Fondo de Las Américas (Fund for the Americas) (Peru)
FORTIS	Fortalecimiento Institucional no Sul do Amazonas (Institutional Strengthening in Southern Amazonas Consortium) (Brazil)
FSC	Fundación Sobrevivencia Cofán (Foundation for the Survival of the Cofán People) (Ecuador)

FSC	Forest Stewardship Council
FTA	Free trade agreement
FY	Fiscal Year
GOREMAD	Gobierno Regional de Madre de Dios (Regional Government of Madre de Dios) (Peru)
GRADE	Grupo de Analisis y Desarrollo (Analysis and Development Group) (Peru)
GTI	Gestión Territorial Indígena (Indigenous Territorial Management Initiative) (Bolivia)
GTI-ICAA	Grupo Trabajo de Infraestructura (Infrastructure Working Group) of the Initiative for Conservation in the Andean Amazon
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
IBC	Instituto del Bien Común (Institute for Well-Being) (Peru)
ICAA	Initiative for Conservation in the Andean Amazon
IHRC	Inter-American Commission on Human Rights
IL	Indigenous Landscapes (Paisajes Indígenas)
IMO	Institut für Marktökologie (Institute of Marketecology) (Switzerland)
INIAP	Instituto Nacional Autónomo de Investigaciones Agropecuarias (National Institute of Agricultural Research (Ecuador)
INRENA	Instituto Nacional de Recursos Naturales (National Institute for Natural Resources) (Peru)
IR	Intermediate Result
IRG	International Resources Group (USA)
ISU	ICAA Support Unit
LAC	Latin America and the Caribbean
MINEM	Ministerio de Energía y Minas (Ministry of Energy and Mines) (Peru)
MMCC	Madidi-Manu Conservation Complex (Peru, Bolivia)
MOU	Memorandum of understanding
M-P	An Amazon region including Madre de Dios, Peru, and Pando, Bolivia
NGO	Nongovernmental organization
NRM	Natural resources management
ORAU	Organización Regional de Pueblos del Ucayali (Regional Organization of Ucayali Peoples) (Peru)
PEMD-INADE	Proyecto Especial Madre de Dios–Instituto Nacional de Desarrollo (Special Project Madre de Dios–National Institute of Development) (Peru)
PILCOL	Pueblos Indígenas Lecos y Comunidades Originarias de Larecaja (Indigenous Peoples of Lecos and Original Communities of Larecaja) (Bolivia)
PLARs	Policies, laws, agreements, or regulations

PMP	Performance Management Plan
PPG-7	Pilot Program to Conserve the Brazilian Rain Forest (Brazil)
PRODAPP	Programa de Desarrollo Alternativo en las Cuencas de Pozuzo y Palcazú (Alternative Development Program in the Pozuzo and Palcazu Watersheds) (Peru)
PROFONANPE	Fondo Nacional para Areas Naturales Protegidas por el Estado (Peruvian Trust Fund for National Parks and Protected Areas)
PRONATUR	A coffee-exporting company (Peru)
PUMA	Fundación Protección y Uso Sostenible del Medio Ambiente (Sustainable Protection and Use of the Environment Foundation) (Bolivia)
REDD	Reduced Emissions from Deforestation and Degradation
SAN	Sustainable Agriculture Network
SERNAP	Servicio Nacional de Áreas Protegidas (National Park Service) (Bolivia)
SERNANP	Servicio Nacional de Áreas Naturales Protegidas (Peru)
SI	Social Impact, Inc. (USA)
SICNA	Sistema de Información sobre Comunidades Nativas de la Amazonía Peruana (Information System on Native Communities of the Peruvian Amazon)
SL	Sustainable Livelihoods
SNV	Stichting Nederlandse Vrijwilligers (Netherlands Development Organization)
SPDA	Sociedad Peruana de Derecho Ambiental (Peruvian Society for Environmental Law) (Peru)
TCO	Tierra Comunitaria de Origen (Indigenous Community Lands) (Bolivia)
TNC	The Nature Conservancy (USA)
UAP	Universidad Amazónica de Pando (Amazonian University of Pando) (Bolivia)
UNAMAD	Universidad Nacional Amazónica de Madre de Dios (National Amazonian University of Madre de Dios) (Peru)
UNIA	Universidad Nacional Intercultural de la Amazonia (National Intercultural University of the Amazon)
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
VCS	Voluntary Carbon Standard
WCS	Wildlife Conservation Society (USA)
WHRC	Woods Hole Research Center (USA)
WWF	World Wildlife Fund (USA)

EXECUTIVE SUMMARY

This annual report for Fiscal Year 2008 (October 1, 2007 to September 30, 2008) presents the structure, objectives, and accomplishments of the five consortia that are supported by the Initiative for Conservation in the Andean Amazon (ICAA) of the United States Agency for International Development (USAID). ICAA is the flagship regional biodiversity conservation program of USAID's Latin America and Caribbean Bureau (LAC). ICAA is a five-year program (FY2006-2011) with US \$35 million dollars in support from USAID and US \$10 million dollars in matching cost support from implementing partners. Through ICAA, USAID funds 20 partner organizations, which are organized under four field consortia and the ICAA Support Unit (ISU), which work in four countries: Bolivia, Colombia, Ecuador, and Peru (Table 1). Box 1 below describes ICAA's objectives and indicators.

FY 2008 was an exciting and productive period for the five ICAA consortia (Table 2) and most targets were achieved or nearly achieved. Close to 7,000 Andean Amazon citizens, technical experts and representatives participated in ICAA-sponsored training. Since the beginning of ICAA, nearly 4,000,000 hectares were under improved management. The ICAA partners initiated about 100 stakeholder dialogue events on policies, laws, agreements and regulations affecting the Andean Amazon region, including threats and opportunities for conservation and sustainable development. USAID resources were leveraged for these events through co-sponsorship among ICAA partners or with other Amazonian organizations and networks. In addition, 17 policies, laws, agreements, and regulations were well under way in terms of implementation. ICAA resources were further leveraged through both cost-share contributions from the ICAA partners and resources attracted from other funders. These non-USAID funds totaled approximately \$1.5 million in FY 2008.

Fiscal Year 2008 (FY 2008) was ICAA's first full year for the Project Implementation phase. Two of the consortia, IL and M-P, developed new Life of Project and Annual Workplans during the first half of FY 2008 to refocus their work in the Andean Amazon countries. Both consortia also significantly amended their Performance Management Plans (PMPs). These reorganizations had an impact on their abilities to achieve some of their pre-set targets during FY 2008. For the two other field consortia, MMCC and SL, their work plans remained unchanged, and their work proceeded as expected.

ICAA partners and managers learned a number of lessons during the past year:

- Leveraging and other shared targets may need to be revisited in light of the global recession.
- International, national, and sub-national politics can have a significant impact on local-level ICAA progress.
- Creative strategies are needed to overcome the difficulties of providing training and technical assistance to clients, both indigenous and non-indigenous, in remote and impoverished areas.
- The rapid pace of infrastructure development has meant that some of the ICAA partners chose to respond to emerging threats that were not anticipated by their consortium's work plan.

- Consortium governance, management, and relationship building continue to require significant time and resources.
- Additional technical assistance is needed from ISU to ensure complete consistent shared performance reporting for ICAA.

Despite continuing challenges related to political stability, infrastructure threats, and the difficulty of working in remote locations, ICAA as a whole and each consortium made progress in becoming much more than the sum of their parts. Networking and collaborative activities are under way at the local, national, and regional levels across the Andean Amazon. The partners are working closely with local communities and other conservation partners to expand conservation constituencies in the Amazon. Through the annual partners meeting, capacity-building courses, policy dialogue meetings on infrastructure and territorial management, and several interconsortia memoranda of understanding, the ICAA partners have created synergies and learned best practices from each other. At the partner wide meetings in May 2008 in Quito, it was clear that the consortia had solidified and that ICAA partners were now seeing themselves as part of a larger, regional force for positive change in the Andean Amazon.

Table I. Initiative for Conservation in the Andean Amazon

CONSORTIA	WHERE THEY WORK	OBJECTIVE	WHO IS INVOLVED?
Conserving the Madidi-Manu Landscape of Bolivia and Peru (MMCC)	Southwest Amazon; Peru and Bolivia	Improve landscape planning and implementation, develop community-based eco-enterprises, and build environmental governance	Wildlife Conservation Society Asociación para la Conservación de la Cuenca Amazónica Fondo de las Américas Fundación Protección y Uso Sostenible del Medio Ambiente Sociedad Peruana de Derecho Ambiental
Indigenous Landscapes (IL)	Ecuador and Peru	Strengthen environmental management of indigenous lands by building the capacity of indigenous and partner organizations to plan, manage and protect these lands.	The Nature Conservancy Instituto del Bien Común Fundación Sobrevivencia Cofán
Strengthening Environmental Management in Madre de Dios, Peru and Pando, Bolivia (M-P)	Southwest Amazon; Peru and Bolivia	Reduce the loss of biodiversity and environmental services, and serve as an example for international collaboration on transboundary issues in the Andean Amazon.	The University of Florida Woods Hole Research Center Herencia Universidad Amazónica de Pando Universidad Nacional Amazónica de Madre de Dios Instituto Nacional de Desarrollo – Proyecto Especial de Madre de Dios
Sustainable Livelihoods in the Western Amazon (SL)	Bolivia, Colombia, Ecuador and Peru	Reduce environmental degradation and improve community livelihoods by increasing the sales volume and revenue of certified sustainable timber, non-timber forest products, agriculture and tourism products.	Rainforest Alliance Fundación Natura Conservación y Desarrollo
ICAA Support Unit (ISU)	Bolivia, Colombia, Ecuador and Peru	Build upon efforts of ICAA partners to ensure that the whole is more than the sum of its parts and strengthen institutional capacities.	International Resources Group Sociedad Peruana de Derecho Ambiental Academy for Educational Development Social Impact, Inc.

BOX 1. ICAA SHARED INDICATORS

The ICAA Support Unit developed a strategic framework with a five-year result and three intermediate results at the start of the project. ICAA’s five-year result is: “Amazonian networks and institutions strengthened to improve conservation.” The three Intermediate Results are listed below. Using a consensus process, the ICAA consortia then selected six shared indicators in FY 2007. Criteria for the indicators included their relevance and meaningfulness to the Intermediate Results and they also needed to be amenable to consistent data collection, closely tied to the ICAA strategic framework, and able to meet the reporting requirements of USAID and each consortium. At the time of indicator selection, the consortia agreed that at least three of the consortia needed to be willing to adopt the indicator. This criteria still is valid for all of the indicators with the exception of Indicator 4 (policies, laws, agreements, or regulations implemented) which is only used by one consortia for its Performance Management Plan. The consortia report only on those shared indicators which are relevant to their work. Two consortia have added more shared indicators to their reporting over time and all will report annually to USAID over the life of the project.

Intermediate Results (IRs)	Shared Indicators
IR 1: Capacity of Amazonian institutions and networks improved for conservation and organizational development	<ol style="list-style-type: none"> 1. Number of hectares under improved natural resources management as a result of USG assistance. 2. Number of hectares in areas of biological significance under improved management as a result of USG assistance. 3. Number of people trained in natural resources management and/or biodiversity conservation as a result of USG assistance.
IR 2: Implementation of sustainable Amazonian policies improved	<ol style="list-style-type: none"> 4. Number of policies, laws, agreements or regulations promoting sustainable natural resource management and conservation that are implemented as a result of United States Government assistance 5. Number of co-sponsored, stakeholder dialogue activities, focused on policies, laws, agreements or regulations for more sustainable Amazon resource use, initiated as a result of United States Government assistance
IR 3: Funding for ICAA partner organizations increased	<ol style="list-style-type: none"> 6. Leveraging ratio (non-ICAA resources versus ICAA resources) increased for Amazon Basin activities. <i>Note: In FY 2007 and FY 2008, ICAA will report on non-ICAA funding, rather than a ratio. Ratio targets will be set in future years.</i>

ICAA was founded on the premise that conservation is an inherently social process. Conservation success relies on building diverse constituencies for conservation at different scales and ensuring adequate and meaningful representation by ethnic groups, women, youth, and others. By taking an approach akin to venture philanthropy, ICAA aims to improve stewardship of the Amazon Basin’s globally and nationally important biological diversity and environmental services through new ideas and partnerships. In addition, ICAA has placed a special emphasis on building the capacities of indigenous, traditional, and other local stakeholder communities and organizations, so that they can protect and manage conservation and special-use areas under their control.

Through ICAA and its bilateral Mission programs in the region, USAID is firmly committed to working closely with national governments and NGOs in the Amazon region to address threats and

opportunities related to Amazonian biodiversity. USAID sees its role as helping to generate ideas, facilitate implementation of national decisions, and provide financial support, while at the same time, fully respecting the parameters, interests, and sovereignty of the basin's national governments.

Table 2. FY 2008 ICAA Targets and Achievements

FY 2008 Targets	FY 2008 Achievements ¹					
2,550,950 hectares under improved natural resource management as a result of United States Government assistance.	2,810,413 hectares (110% of target achieved)					
	IL 1,440,106	MMCC Not adopted	M-P 0	SL 1,370,307	ISU Not adopted	TOTAL 2,810,413
1,219,411 hectares in areas of biological significance under improved management as a result of United States Government assistance.	1, 071,494 hectares (86% of target achieved)					
	<i>Notes: Management plan and financing activities slower than expected.</i>					
	IL 427,750	MMCC 492,015	M-P Not adopted	SL 46,258	ISU Not adopted	TOTAL 966,023
5,005 people trained in natural resources management and/or biodiversity conservation as a result of United States Government assistance.	6,892 people (138% of target achieved)					
	IL 267	MMCC 4,884	M-P 0	SL 1,466	ISU 275	TOTAL 6,892
18 policies, laws, agreements or regulations (PLARs) promoting sustainable natural resource management and conservation that are implemented as a result of United States Government assistance.	17 PLARs implemented (94% of target achieved)					
	<i>Notes: Several PLARs were partially implemented, but had not yet achieved the level needed to claim implementation, as defined by the standardized ICAA scorecard methodology.</i>					
	IL 17	MMCC Not adopted	M-P 0	SL Not adopted	ISU Indicator dropped FY 2008	TOTAL 17
81 co-sponsored, stakeholder dialogue activities, focused on policies, laws, agreements or regulations for more sustainable Amazon resource use, initiated as a result of United States Government assistance.	98 policy-related dialogue events (121% of target achieved)					
	IL 25	MMCC 63	M-P 5	SL Not adopted	ISU 5	TOTAL 98
US \$1,718,487 in non-ICAA funds leveraged for Amazon Basin activities of the ICAA partners.	\$1,708,977 (99% of target achieved)					
	<i>Notes: Significant progress toward this target is foreseen for years 3-5 of the program with increased conservation alliances.</i>					
	IL \$619,123	MMCC \$393,354	M-P Not adopted	SL \$696,500	ISU Not adopted	TOTAL \$1,708,977

¹ The baseline value is zero for all indicators, except for the two indicators in hectares. The MMCC consortium began with a baseline of 50,000 hectares for Indicator #2. IL consortium started with a baseline of 1,099,235 hectares for Indicator #1. SL consortium began with a baseline of 1,109,235 hectares for Indicator #1 and 1,000 hectares for Indicator #2.

INTRODUCTION

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The achievements and highlights sections of the Annual Review focus on ICAA's three Intermediate Results (IRs):

- *Capacity Building* for ICAA and Non-ICAA participants so that their skills and knowledge about natural resources management and/or biodiversity conservation topics will result in improved land management and biodiversity conservation outcomes,
- *Policy Implementation* in ways that meaningfully engage a wide range of stakeholders,
- *Leveraging New Resources* for Amazon Basin Conservation through grants and partnerships.

ICAA BACKGROUND

ICAA is USAID's newest five-year biodiversity conservation and development program for the Amazon Basin. Program funding comes from the USAID's Regional Bureau for Latin America and the Caribbean (LAC), as well as matching resources from each field-based consortium. While USAID has a long and effective history of activities through its Mission or field office programs, these efforts are largely focused on specific sites and conservation areas in the region. ICAA is USAID's first Amazon project to focus on strengthening both organizations and their collaborative activities across national borders. The Andean Amazon is targeted for project activities because it contains an exceptionally high level of biological and cultural diversity as well as the headwaters for critical Amazonian watersheds. It also faces rapid changes from large-scale threats, including infrastructure development, and significant opportunities for sustainable conservation and development.



The Andean Amazon Basin

A two-year, regional assessment and consultative process informed the design of ICAA and its predecessor project, ABCI. USAID structured ICAA to include four cooperative agreements with field-based consortia (i.e., M-P, IL, MMCC, and SL) and the contracted support unit consortium, ISU. USAID initially used a competitive process, which attracted 30 consortia applicants.² The partners work in Bolivia, Colombia, Ecuador, and Peru. There are now 20 ICAA partner organizations (Table 1). They include both international and local nongovernmental organizations (NGOs) focused on conservation, indigenous peoples, environmental training, law, communications, and research; one government agency; American and local universities; and for-profit firms. Many work closely with host-country governments at different levels. All have extensive on-the-ground experience in one or more of the four ICAA countries. The field-based consortia direct their efforts towards several major themes: large-scale landscape conservation, indigenous territorial management, environmental governance, and development of markets for sustainable products and services. ISU provides logistical and administrative support for the initiative and catalyzes greater regional collaboration through networking, knowledge management, training, policy dialogue, performance monitoring, a small grants program, and capacity-building for conservation alliance development.

² Initially, the regional program was named the Amazon Basin Conservation Initiative and included five field consortia with 27 partners in five countries (Brazil, Bolivia, Colombia, Ecuador, and Peru) and a contracted Secretariat. During the Program Design phase, the program transitioned to become the Initiative for Conservation in the Andean Amazon, work in Brazil became part of an expanded USAID bilateral environmental program, and the Secretariat became the ICAA Support Unit based in Lima.

Over the next three years, ICAA aims to strengthen Andean Amazonian institutions and networks for improved conservation. Its overall vision is to build commitment, capacity, and cooperation for environmental conservation across the four countries. ICAA’s strategic framework emphasizes capacity building (Intermediate Result 1 or IR1), policy dialogue and implementation (Intermediate Result 2 or IR2), and leveraging resources for sustainable financing (Intermediate Result 3 or IR3). Box 1 shows the shared indicators for each of these objectives. One of the hypotheses underlying ICAA activities is that training will result in increased human and organizational capacity to improve conservation. Through cosponsored stakeholder dialogue events and improved capacity, Amazonian partners will be able to make progress on implementation of policies, laws, agreements, and/or regulations. As ICAA partners grow stronger and develop new partnerships, they are more likely to attract increased external resources for their well-managed programs.

BOX 1. ICAA SHARED INDICATORS

The ICAA Support Unit developed a strategic framework with a five-year result and three intermediate results at the start of the project. ICAA’s five-year result is: “Amazonian networks and institutions strengthened to improve conservation.” The three Intermediate Results are listed below. Using a consensus process, the ICAA consortia then selected six shared indicators in FY 2007. Criteria for the indicators included their relevance and meaningfulness to the Intermediate Results and they also needed to be amenable to consistent data collection, closely tied to the ICAA strategic framework, and able to meet the reporting requirements of USAID and each consortium. At the time of indicator selection, the consortia agreed that at least three of the consortia needed to be willing to adopt the indicator. This criteria still is valid for all of the indicators with the exception of Indicator 4 (policies, laws, agreements, or regulations implemented) which is only used by one consortia for its Performance Management Plan. The consortia report only on those shared indicators which are relevant to their work. Two consortia have added more shared indicators to their reporting over time and all will report annually to USAID over the life of the project.

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IR 3: Funding for ICAA partner organizations increased	<ol style="list-style-type: none"> 6. Leveraging ratio (non-ICAA resources versus ICAA resources) increased for Amazon Basin activities. <i>Note: In FY 2007 and FY 2008, ICAA will report on non-ICAA funding, rather than a ratio. Ratio targets will be set in future years.</i>

ICAA was founded on the premise that conservation is an inherently social process. Conservation success relies on building diverse constituencies for conservation at different scales and ensuring adequate and meaningful representation by ethnic groups, women, youth, and others. By taking an approach akin to venture philanthropy, ICAA aims to improve stewardship of the Amazon Basin's globally and nationally important biological diversity and environmental services through new ideas and partnerships. In addition, ICAA has placed a special emphasis on building the capacities of indigenous, traditional, and other local stakeholder communities and organizations, so that they can protect and manage conservation and special-use areas under their control.

Through ICAA and its bilateral Mission programs in the region, USAID is firmly committed to working closely with national governments and NGOs in the Amazon region to address threats and opportunities related to Amazonian biodiversity. USAID sees its role as helping to generate ideas, facilitate implementation of national decisions, and provide financial support, while at the same time, fully respecting the parameters, interests, and sovereignty of the basin's national governments.

KEY ACHIEVEMENTS AND CHALLENGES DURING FY 2008

Highlights of ICAA Achievements during FY 2008

1. FY 2008 was an exciting and productive period for the five ICAA consortia (Table 2) and most targets were achieved or nearly achieved. Close to 7,000 Andean Amazon citizens, technical experts and representatives participated in ICAA-sponsored training. Since the beginning of ICAA, nearly 4,000,000 hectares were under improved management. The ICAA partners initiated about 100 stakeholder dialogue events on policies, laws, agreements and regulations affecting the Andean Amazon region, including threats and opportunities for conservation and sustainable development. USAID resources were leveraged for these events through co-sponsorship among ICAA partners or with other Amazonian organizations and networks. In addition, 17 policies, laws, agreements, and regulations were well under way in terms of implementation. ICAA resources were further leveraged through both cost-share contributions from the ICAA partners and resources attracted from other funders. These non-USAID funds totaled approximately \$1.5 million in FY 2008.

Table 2. FY 2008 ICAA Cumulative Targets and Achievements for Shared Indicators

FY 2008 Targets	FY 2008 Achievements ³					
2,550,950 hectares under improved natural resource management as a result of United States Government assistance.	2,810,413 hectares (110% of target achieved)					
	IL 1,440,106	MMCC Not adopted	M-P 0	SL 1,370,307	ISU Not adopted	TOTAL 2,810,413
1,219,411 hectares in areas of biological significance under improved management as a result of United States Government assistance.	1, 071,494 hectares (86% of target achieved)					
	<i>Notes: Management plan and financing activities slower than expected.</i>					
	IL 427,750	MMCC 492,015	M-P Not adopted	SL 46,258	ISU Not adopted	TOTAL 966,023
5,005 people trained in natural resources management and/or biodiversity conservation as a result of United States Government assistance.	6,892 people (138% of target achieved)					
	IL 267	MMCC 4,884	M-P 0	SL 1,466	ISU 275	TOTAL 6,892
18 policies, laws, agreements or regulations (PLARs) promoting sustainable natural resource management and conservation that are implemented as a result of United States Government assistance.	17 PLARs implemented (94% of target achieved)					
	<i>Notes: Several PLARs were partially implemented, but had not yet achieved the level needed to claim implementation, as defined by the standardized ICAA scorecard methodology.</i>					
	IL 17	MMCC Not adopted	M-P 0	SL Not adopted	ISU Indicator dropped FY 2008	TOTAL 17
81 co-sponsored, stakeholder dialogue activities, focused on policies, laws, agreements or regulations for more sustainable Amazon resource use, initiated as a result of United States Government assistance.	98 policy-related dialogue events (121% of target achieved)					
	IL 25	MMCC 63	M-P 5	SL Not adopted	ISU 5	TOTAL 98
US \$1,718,487 in non-ICAA funds leveraged for Amazon Basin activities of the ICAA partners.	\$1,708,977 (99% of target achieved)					
	<i>Notes: Significant progress toward this target is foreseen for years 3-5 of the program with increased conservation alliances.</i>					
	IL \$619,123	MMCC \$393,354	M-P Not adopted	SL \$696,500	ISU Not adopted	TOTAL \$1,708,977

³ The baseline value is zero for all indicators, except for the two indicators in hectares. The MMCC consortium began with a baseline of 50,000 hectares for Indicator #2. IL consortium started with a baseline of 1,099,235 hectares for Indicator #1. SL consortium began with a baseline of 1,109,235 hectares for Indicator #1 and 1,000 hectares for Indicator #2.

- During FY 2008, all of the consortia have completed their FY 2009 work plans. Three have made significant improvements to their PMP logical frameworks/models, indicators, and targets. They have consolidated and retained all of their Andean Amazon partners, despite internal organizational upheavals for some and external political stability in other work areas. Within their consortia, the lead institutions have signed project implementation agreements with partners. They have completed staffing and training for key positions.
- With respect to other cross-consortia collaboration opportunities during FY 2008, the consortia have initiated shared activities (Box 2) and the ISU has facilitated meetings for two Working Groups: Infrastructure and Territorial Management. For example, the M-P consortium is exchanging research documents about the Interoceanic Highway, as well as the La Paz-Cobija road, with others in the ICAA Infrastructure Working Group.
- The ICAA Management Meeting, held in Peru in March 2008, helped to improve communication, clarify ICAA partner reporting requirements, and share information about work plan activities and conservation alliance-building experience.

- The Second Partners Meeting, held in Ecuador in May 2008, provided an opportunity for a larger group of partners to network and for the ISU to introduce some exciting innovations in meeting format. The meeting was split between Quito and a rural location, Papallacta. There was a field trip en route through the Cayambe-Coca Reserve National Park and to a community involved in sustainable tourism and alternative livelihood activities. To encourage cross-consortia networking and learning, the ISU organized an exhibition with booths for the ICAA partners and invited Ecuadorian politicians, other Ecuadorian conservation organizations, representatives from USAID/Ecuador, and the press. There were two opportunities during an ICAA Exchange for participants to select from a menu of mini-courses or join partner-led roundtables on various topics.
- To maximize the local, national, and regional impacts of their work, the consortia have focused on many other outreach activities. The ICAA website (www.amazonia-andina.org) was opened to the public in July 2008. There have been increased communication and interaction with clients, stakeholders, government entities, and the regional USAID Missions (Box 3).

BOX 2. EXAMPLES OF CROSS-CONSORTIA FIELD COLLABORATION IN FY 2008

IL and MMCC – The focus of collaboration during FY 2008 was on developing dialogue and tools to improve the ability of indigenous organizations to address the technical and administrative challenges of territorial management in other areas of the Amazon. The IL lead institution, TNC, signed a formal agreement with the Wildlife Conservation Society (WCS) to coordinate and collaborate on activities in the landscape mosaic of the Cofán people in Ecuador. Other issues of common interest include infrastructure and indigenous territorial management. One co-organized activity included a July 2008 workshop on sustainable finance aimed at WCS indigenous partner organizations under ICAA. Also in July, TNC and WCS began a multi-temporal study of the Cofán territories to analyze the change in land-use patterns in 1990, 2000, and 2008 and develop models of land use for the next 30 years using different scenarios related to infrastructure development and Cofán presence. The aim is to convince government officials and future Cofán collaborators of the importance of Cofán presence.

IL, MMCC and SL – The lead institutions of these three consortia, in collaboration with IL Cofán partner FSC, invited more than 20 Amazon organizations and projects to an October meeting to share information, promote coordination and dialogue, and identify common interests and synergies. They produced a coordination matrix, identified common issues, and proposed an Amazon working group and future meetings, which will include governmental and nongovernmental actors.

MMCC and SL – WCS, PUMA, SPDA, ACCA, and the Rainforest Alliance have discussed collaboration plans related to commercialization strategies for nontimber forest products, sustainable forestry, ecotourism, and supporting production certification for local partners. The MMCC and SL MOU focuses on ICAA opportunities and follow-up work related to the Amazon-based USAID/Ecuador CAIMAN Project.

MMCC and M-P – These partners are building a shared, geo-referenced information system for local partners.

ISU and field consortia – There has been collaboration on developing the mission, vision, and priorities of the ICAA Infrastructure and Territorial Management Working Groups. ICAA partners contributed to ICAA country fact sheets and electronic newsletters. The SL consortium has assisted with defining the conservation alliance strategy of ISU.

BOX 3. GETTING THE WORD OUT ABOUT ICAA-FUNDED ACTIVITIES

Reaching existing and new conservation constituencies is a central objective for ICAA. Each consortium, as well as the ICAA Support Unit, aims to inform and persuade a general and policy maker audience about the value of Amazonian biodiversity and the merits of sustainable land management. A sampling of the SL consortium's annual communication activities provides a window on how this outreach is undertaken:

- Internet-based communications have varied by sector. There are now web pages on ICAA-funded tourism, agriculture, and forestry activities (www.Rainforest-Alliance.org). There have been periodic electronic articles on ICAA work on this website (e.g., "Coffee, Cacao and Tourism to Conserve the Amazon," an article published in the online Winter 2007 edition of Rainforest Alliance's quarterly publication *The Canopy*). The March 2008 edition of *Sustainable Tourism Connections*, the Rainforest Alliance Tourism electronic bulletin, discussed the ICAA Tourism Project in Peru; this bulletin is distributed to a worldwide audience of more than 3,000 readers, including entrepreneurs, government officials, community leaders, NGOs, private sector representatives, financial development agencies, and others. In addition, the ICAA project is now profiled in the Rainforest Alliance Eco-Index, a bilingual website featuring information on biodiversity conservation projects in North, Central, and South America and the Caribbean
- Print media coverage has included interviews and press releases. Two SL staff, Luis Felipe Duchicela and Edward Millard of the Rainforest Alliance, granted interviews to the Ecuadorian newspaper *Diario La Hora*. In July 2008 Duchicela discussed forestry activities, and in November 2007 Millard focused on certified cocoa. The consortium issued two press releases about the MOU signed between CyD and the Indigenous Federation of the Cofán Nation of Ecuador (Federacion Indigena de la Nacionalidad Cofán del Ecuador or FEINCE), which were published in *Diario La Hora* (March 15, 2008) and *Diario Hoy* (March 26, 2008), also in Ecuador.
- Radio interviews also tell the ICAA story, particularly in rural and impoverished areas without television (e.g., three Ecuadorian media interviews by the Rainforest Alliance's Tourism Technical Liaison Officer for South America in Tena, Sucumbios, and Quito during October 2007 and a November 2007 interview by Edward Millard for Ecuador's Radio Colón in Ecuador, in which he discussed certified cacao farms).
- Tourism-related magazines have been targeted for regular articles. The SL consortium has written a bimonthly series of articles for *Volando*, an in-flight magazine for the Ecuadorian airlines servicing the Galapagos Aerogal, and another Ecuadorian industry trade publication called *TRANSPORT*.
- SL communications staff develops and regularly updates media databases for ICAA countries.
- The Rainforest Alliance and its local partners in Ecuador, Bolivia, Peru, and Colombia have used an ICAA project banner for ICAA-funded workshops and different public events.
- The ICAA website (www.amazonia-andina.org) offers a platform for sharing recorded presentations, PowerPoints, etc., an efficient tool for training stakeholders in the region.

- ICAA collaboration with the USAID Missions in Bolivia, Colombia, Ecuador, and Peru has been strengthened through Mission review of consortia work plans, participation in ICAA annual meetings, contributions to country fact sheets on ICAA activities, and the new *USAID Amazon Conservation Report*, prepared by ICAA Support Unit and LAC Bureau staff.

- To further improve the capacity of indigenous people organizations, the ICAA Support Unit completed plans for the ICAA Small Grants Program. During FY 2008, the ISU organized a series of orientation and training workshops in two countries with potential applicants, who represented Andean Amazon indigenous people organizations. A total of 197 letters of intent were submitted for small grant applications (up to a maximum of \$50K each) from groups from Bolivia, Colombia, Ecuador and Peru. The first awards will be signed in early FY 2009. This program augments indigenous capacity-building and networking activities already under way by the IL and MMCC consortia.



Indigenous leaders and Small Grants Administrator Martha Puga in the Colombia small grants application clinic. *Credit:* Karina Livschitz

- It has been crucial to initiate meetings with representatives from the national governments to introduce ICAA work, seek support, and look for synergies and possible areas of collaboration. For example, to cope with the challenge of Bolivian Government instability and mistrust, MMCC partners, WCS, and the Sustainable Protection and Use of the Environment Foundation (Fundación Protección y Uso Sostenible del Medio Ambiente or PUMA Foundation) in Bolivia have been proactive in sharing information about their activities and funding arrangements and stressing that these activities, including those funded by ICAA and other donors, have already been approved by the national government. Furthermore, WCS has suggested the idea of a coordination committee for the WCS/Bolivia program to the Vice-Ministry of Biodiversity, Forestry Resources, and Environment. Potential participants could include the Vice-Minister's Office, National Park Service (Servicio Nacional de Areas Protegidas or SERNAP), and two key indigenous partners: Indigenous Council of the Tacana People (Consejo Indígena del Pueblo Tacana or CIPTA) and the Capitania del Alto y Bajo Izozog (CABI). If the coordination committee proves effective, they would then include their MMCC partners working in Bolivia.

Summary of Initiative Challenges

During the first full year of the Project Implementation Phase, the four ICAA field consortia and Support Unit⁴ faced both anticipated and unforeseen *challenges*:

Project Management and Consortia Governance Challenges

- Consortia requests for workplan and document extensions and the collaborative discussions between LAC Bureau's Regional Sustainable Development Office/Environment Team and the Missions led to delays in implementation for some activities.
- While all of the consortia have continued to work on the ongoing intraconsortia challenges of governance coordination and identifying and building on partner synergies, two of the consortia (IL and M-P) had to significantly reorganize and divide their programs (e.g., budgets, staff and activities) due to the loss of their Brazilian partners after the ICAA transition.
- With the benefit of Project Design information and experience, most of the ICAA consortia took the opportunity to further refine their plans, indicators, targets, and cross-consortia collaboration. For example, the SL consortium identified some unforeseen barriers to the expansion of certification efforts. The ICAA Support Unit recognized that it had a greater comparative advantage in building policy advocacy capacity for the other consortia, rather than positioning itself as an advocate for regional policy implementation. As ICAA partners progressed with the PMP changes and reporting, they also asked for more help from their Agreement Officer's Technical Representatives (AOTRs) and from the ISU PMP team. Consequently, ISU made plans to offer consortium-specific technical assistance in FY 2009 to improve the thoroughness of ICAA reporting on shared indicators and maximize consortia effectiveness.
- Both the AOTRs communicate primarily with the consortia directors for both efficiency reasons and because USAID only has a formal legal relationship with the lead partner in each consortia. While this arrangement has functioned quite well with some consortia, in others, the partners in the consortia are not always fully informed about ICAA news and reporting requirements and options for capacity building and other ISU services.
- Leadership changes in ICAA partner and/or government institutions slowed decision making and/or required reaffirmation of ICAA agreements. For example, the National Amazonian University of Madre de Dios (Universidad Nacional Amazónica de Madre de Dios or UNAMAD) and Special Project Madre de Dios (Proyecto Especial Madre de Dios or PEMD) in Peru and the Madidi protected area in Bolivia had both deep and wide personnel changes. The UNAMAD and PEMD changes resulted from civil unrest in the Madre de Dios region, fueled in part by shifting dynamics of decentralization in Peru. Work by the MMCC partner, the Amazon Conservation Association (Asociación para la Conservación de la Cuenca Amazónica or ACCA), was slowed for a time when it improved the transparency and efficiency of its financial management systems, due to auditor recommendations, and encountered resistance from some employees and partners that had to be overcome.

⁴ The ICAA Support Unit contract began implementation immediately and did not have a prior design phase, as was true for the cooperative agreements between USAID and the four field consortia.

Client-Related Challenges

- Like other USAID projects working in the Amazon, it is quite difficult to provide training and technical assistance to clients, both indigenous and non-indigenous, in remote and impoverished areas. Stakeholders and clients have a strong interest in conservation activities and place a high priority on income alternatives to reduce poverty. Remote rural producers, in groups or on their own, have needed significant levels of assistance and over longer than expected periods to build their market-related capacities. Local partner institutions are extremely weak. The transport and communications infrastructure is either very poor or completely absent. Many rural clients do not have citizenship documents, such as birth certificates and identity cards. In border areas, such as the northern Amazon region in Ecuador, Colombian guerrillas have created security problems for local residents and a potential tourism industry. Community tourism operators have offered low-quality products and have not always been interested in sustainable tourism practices.
- Both achieving and maintaining certification for cacao, coffee, and timber has been difficult. Business, commercial, and institutional partners are reluctant to work in remote geographic areas. In addition, both of the National Initiatives of the Forest Stewardship Councils in Peru and Bolivia have become weaker.

External Challenges

- The rapid pace of infrastructure development has meant that some ICAA partners have chosen to respond to emerging threats that were not anticipated by their consortium's work plan. For example, in the M-P region, there are new road-paving plans for Pando Bolivia and increased discussion of environmental management by state officials in Madre de Dios, Peru. The consortia must find the right balance between implementing preplanned activities and being responsive to emerging opportunities and threats.
- Political instability slowed progress for ICAA partners working in some areas of Peru and Bolivia. In Peru strikes at UNAMAD and in Madre de Dios in June and July 2008 and institutional leadership changes temporarily halted the progress of ICAA-related work by M-P partners (i.e., UNAMAD and PEMD-INADE). A general strike in Puerto Maldonado, Peru became violent and resulted in the burning of the main compound of the Regional Government of Madre de Dios (Gobierno Regional de Madre de Dios or GOREMAD). When new leadership took office at these institutions, M-P partners had to begin all over again the valuable and time-consuming process of gaining leaders' support for the ICAA program and sustaining the ICAA program champions at the technical level. Bolivian instability was very significant and included political tensions around land titling (e.g., Apolo, northern Tacana II Indigenous Community Land) (Tierra Comunitaria de Origen or TCO) martial law in response to street violence and massacres related to politics, jailing of politicians, uncertainty and conflicts around a new national constitutional referendum, and government suspicions of NGO and USAID-funded work. In this atmosphere, it was not possible for some ICAA partners to convene any workshops, meetings and courses until President Evo Morales lifted martial law in November 2008. In addition, the current political situation in Bolivia makes it difficult to work directly with the media and it was necessary to find other channels to inform the public of ICAA-funded work.

- There has also been natural resource–related violence and tension in the Department of Madre de Dios. The mayor of a town in Madre de Dios was murdered by loggers in the offices of the National Institute of Natural Resources (Instituto Nacional de Recursos Naturales or INRENA) in broad daylight, after he tried to file a complaint with government authorities about illegal timber coming into Peru from Bolivia. In addition, employees of INRENA in Mazuko, Peru had to be removed by police after being threatened by those extracting illegal timber. Conditions for community workers have been quite unsafe in some of these areas.
- In some cases, political instability has resulted in increased opportunities as governments demand more ICAA-funded services from the consortia partners. For example, when GOREMAD lost infrastructure and databases due to strike-related violence, it turned to M-P partners to help with data sharing and other forms of support for rebuilding its technical capacity. GOREMAD effectively ceased functioning on July 9, 2008, and it is not clear when it will be able to begin working again.
- Changes in natural resource policies have had an impact on ICAA progress. For example, the Government of Bolivia’s new NRM and forestry policies are creating an atmosphere of caution and uncertainty within the forestry sector in the country and may have a chilling impact on private investment and completion of the certification stages. The national government and Forest Superintendent have failed to act against the increasing number of landless peasant groups that are moving permanently into certified forestry operations. As a result of the growing political uncertainty, there has been a slowdown and overall reduction of investment in and improvement of forestry operations. Forestry field operations for several companies have been hampered by shortages of diesel fuel.
- ICAA work in some areas has also been affected by climatic conditions. The conditions in 2008 were reminiscent of 2005, when low rainfall and river levels led to the burning of hundreds of thousands of hectares of mature forest in the region. As a result, M-P consortia experienced an increase in government and community demand for fire and water management plans.
- The global economic recession has also taken its toll on ICAA operations in Peru and elsewhere. Fuel rose in cost by 30 percent, field supplies by 45 percent, and air travel by 40 percent during the last six months of FY 2008 in Peru.



Watershed mapping by the M-P Consortia in Bolivia.
Credit: Foster Brown

ANNUAL HIGHLIGHTS BY OBJECTIVES

BUILDING CAPACITY

THE AMAZON CONTEXT

Conservation and indigenous peoples' organizations face formidable challenges in addressing the Amazon's large-scale conservation threats and opportunities:

- Threats include regional megaprojects (e.g., highways, oil-and-gas exploration, dams, etc.) of increasing number and size, which are rapidly opening up formerly isolated areas. These activities affect sustainable land management by traditional communities, as well as protected area management. Because of the remoteness of these areas or because activities impact the border areas of one or more countries, there has been limited capacity for communication, information sharing, and coordination among communities, local organizations, and government agencies. Another significant threat stems from climate change. For example, recent modeling shows that the Amazon region is approaching a critical tipping point that could shift regional rainfall patterns. The impacts of these changes include increased wildfires and an accelerated decrease in forest cover and rainfall. In addition, poor land management is another major threat affecting the Amazon.
- There are also many important opportunities for advancing conservation objectives. New advances in communication technology support the sharing of effective strategies for preventing and mitigating the negative impacts of infrastructure and distance learning courses. New information about climate change and the importance of conserving large landscapes provides an important impetus for maintaining forest cover and hydrologic functions. Nature-based enterprises are expanding and present new opportunities for sustainably financing conservation and livelihoods for traditional communities.
- To address threats and maximize opportunities, Amazon stakeholder organizations, particularly conservation and indigenous organizations, require new kinds of organizational capacity. Accordingly, ICAA's central premise is that increased capacity and connectivity will enable formerly isolated organizations to more effectively address large-scale conservation threats and opportunities. Capacity building will focus on identified needs and gaps. These include training sufficient personnel in topics such as land protection and management skills, economic analysis, communication, alliance building, and organizational development issues, including performance monitoring. Unlike many existing programs, ICAA can offer relevant professional development training in each of the ICAA countries and in locations outside of major urban centers. These efforts will help multicountry consortia to better manage and coordinate activities across larger landscapes, including those considered to be biologically significant.

CAPACITY BUILDING

In FY 2008, highlights of ICAA's capacity-building achievements (Table 3) include the following:

- With respect to capacity building for indigenous peoples, the ICAA partners have focused on specific skills, including proposal development, strategic planning, business skills development, and driving skills for park guards. For example, both ISU and PUMA foundations trained indigenous participants in proposal development and writing skills (i.e., ISU in Peru and Ecuador and PUMA Foundation in Bolivia). In Bolivia, the PUMA Foundation of the MMCC consortium organized the First Indigenous Project School with the Indigenous Peoples Confederation of Bolivia in April-May 2008 (Box 4). In some cases, language training has been particularly beneficial for indigenous women, especially when paired with economic empowerment activities (i.e., collaborative activities for Cofán women sponsored by the Foundation for the Survival of the Cofán and Ecuador's National Women's Council). Driving training for selected park guard staff from Ecuadorian Cofán communities, together with vehicles purchased with non-ICAA funding, has improved protection of indigenous territories. To help indigenous organizations plan their futures and prevent negative impacts from extractive industries, the IBC, TNC, WCS provided strategic planning and organizational development assistance to indigenous communities, organizations and federations [i.e., Peruvian Federation of Native Communities of Ucayali (Federación de Comunidades Nativas de Ucayali or FECONAU); Peruvian Indigenous Federation of Native Communities of Puerto Inca and Tributaries (Federación de Comunidades Nativas de Puerto Inca y Afluentes or FECONAPIA); the Indigenous Federation of the Cofán Nation of Ecuador (Federación Indígena de la Nacionalidad Cofán del Ecuador or FEINCE), and the Tacana Women's Indigenous Council (Consejo Indígena de Mujeres Tacana or CIMTA)]. For economic activities, ICAA partners are training indigenous internal auditors in Ecuador with Kichwa communities (Rainforest Alliance of the SL consortium) who are expected to then train new farmers who are initiating the certification process.

BOX 4. STRENGTHENING PARTNERSHIPS WITH KEY ACTORS

The PUMA Foundation developed strategic partnerships with two very significant actors in the MMCC region: 1) the Special Federation of Agricultural Producers from the Abel Iturralde Province (Federación Especial de Productores Agropecuarios de la Provincia Abel Iturralde or FESPAL) and the organization of Lecos Indigenous Peoples and Native Communities of Larecaja (*Pueblos Indígenas Lecos y Comunidades Originarias de Larecaja* or PILCOL). Both organizations are looking for new income-generating alternatives for the indigenous communities of the region. At present, many families rely on micro-scale, artisanal gold mining as an important cash source; however, it generates many environmental problems. FESPAL and PILCOL leaders requested PUMA Pre-Schools, organized participants, and helped to generate interest and trust among their members. During the Pre-School, PUMA explained its grant-making approach to potential applicants and presented information about productive and culturally sensitive alternatives for the Madidi-Manu region, which are based on conservation and sustainable use of biodiversity, timber and non-timber forest resources, and water resources. PUMA used a standardized form to help potential applicants present a project idea, and those with the most promising ideas were invited to Project Schools where they developed their capacity to design and implement projects. PUMA then helped participants identify funding sources for the projects.

- Other capacity-building activities for a broader cross-section of participants focused on similar topics. Fund for the Americas (Fondo de Las Américas or FONDAM), another MMCC partner, supported the formation of producer associations and productive enterprises for agroforestry and handicraft production through training workshops in business organization, management, and marketing strategies. In terms of product certification, the SL consortium worked on auditing and certification training in Peru, used Farmer Field Schools to teach best management practices to farm families for Sustainable Agriculture Network (SAN) certification. For tourism certification, the SL consortium trained people from community and private tourism operations, as well as local municipal officials on best management practices in Ecuador and Peru, conducted a training of trainers for global positioning system tools and coached 28 tour operation managers. In terms of supporting undergraduate and graduate studies, WCS supported two BP Conservation Interns, Jesus Martinez and Glenda Ayala, as well as 20 Bolivian and Peruvian undergraduate and post-graduate students in conservation and NRM topics. The ICAA Support Unit organized training activities that cut across the four field consortia and included a range of technical topics such as Cost-Benefit Analysis, as well as grant proposal development for Small Grant Program applicants and event planning and facilitation for the ISU staff. During the May Partners Meeting in Quito, a total of 70 participants attended short courses on mapping, alliance building, advocacy, communications, climate change, and product certification.



Participants in the Resource Economics Cost-Benefit Analysis Course organized by the ICAA Support Unit with instructors from the Conservation Strategy Foundation. Santa Cruz, Bolivia. *Credit:* María Fernanda Aillón

Table 3. FY 2008 ICAA Cumulative Target and Achievements for Training by Consortia

Cumulative Target: 5,005 people trained in natural resources management and/or biodiversity conservation as a result of United States Government assistance.	Cumulative Result: 6,892 people (138% of target achieved)					
	IL	MMCC	M-P	SL	ISU	TOTAL
267	4,884	0	1,466	275	6,892	

IMPROVED NATURAL RESOURCES MANAGEMENT

The ICAA strategic framework links training in natural resources management and/or biodiversity conservation to improved natural resources management outcomes. ICAA assumes that trained participants will become more capable of contributing to improved land management outcomes. Accordingly, ICAA reports on standardized USAID indicators related to the numbers of trained participants, as well as two indicators which report numbers of hectares under improved management. USAID distinguishes between two types of land management which are influenced by United States Government assistance. The first type refers to hectares under improved natural resources management (ICAA Shared Indicator #1). The second category refers to hectares in areas of biological significance under improved management (ICAA Shared Indicator #2). The intent of the management activities differentiates the two indicators. According to USAID definitions, Shared Indicator #1 focuses on improved natural resource management activities for one or more objectives such as sustaining soil and/or water resources; mitigating climate change, and/or promoting sustainable agriculture, etc. In contrast, Shared Indicator #2 focuses on management activities aimed at conserving biodiversity in areas that are identified as biologically significant through national, regional or global priority-setting processes.

There is now ample evidence to suggest that deforestation and poor land management have the potential to alter irrevocably the landscape and climate of the Amazon Basin. As noted above, rising deforestation levels will alter rainfall levels, leading to increased drought, wildfires, erosion, and inauspicious conditions for reforestation or agriculture. Degrading agricultural and forestry techniques, perverse policy incentives, and inefficient value chains lead to unsustainable land use and further clearing of the forest. Traditional communities, who rely on the forest for both hunting and fishing, increasingly battle for their health and survival as their forested areas are degraded. Even for those living outside of the forest, the loss of forest cover will reduce the supply of water and drive up its cost. The poor, including those in economically marginal traditional communities, are likely to suffer the greatest impacts from these environmental changes.

The ICAA partners worked on the threats and opportunities related to the sustainable management and conservation of large Amazon landscapes. ICAA activities focus on selected areas, but are expected to have a replication effect on a larger area. Under ICAA funding, the M-P consortium works in the Bolivian and Peruvian parts of the 300,000-square-kilometer region along the borders shared by Bolivia, Peru, and Brazil. Likewise, the MMCC consortium in northern Bolivia and southern Peru is operating in selected areas of a conservation corridor that covers 190,000 square kilometers. Operating in such large areas requires large-scale activities, such as landscape-level planning and political buy-in at national and regional levels. It requires sound information for decision makers that is produced in a timely and user-friendly manner. To maximize the success of large-scale conservation efforts, the ICAA partners often depend on complementary activities outside of the formal protected areas. For example, the SL consortium and, to a lesser extent, the

MMCC and IL consortia, focus on changing predominant land-use patterns outside of protected areas through the development of alternative markets for certified products and services.

To increase the consistency of measurement across the consortia, ICAA has developed a four-part Improved Management Scorecard for both indicators, which was derived from regional and global USAID experience. The scorecard focuses on the status of efforts related to formal land titling, stakeholder participation, management plan development, and financial plans/resources. While marketing activities are not captured by the shared indicators selected by the ICAA partners, they are also discussed in this report section, because these activities help to support better land management and conservation.

In FY 2008, highlighted ICAA achievements related to improved resource management included the following:

Formal Land Titling

- After receiving a land title in September 2007 for 30,000 hectares in Ecuador's Rio Cofanes area near the Cayambe-Coca Ecological Reserve, FEINCE had to address resistance from local groups who were opposed to having the Cofán own the area of the La Bonita Municipality. The Cofán negotiated an alliance with local governments and eventually achieved the support of families in the entire municipality. Together, the Cofán and other residents have secured the declaration of an unprecedented 70,000-hectare "Municipal Reserve," which is the first of its kind in Ecuador.
- Similar Cofán collaboration with neighboring *mestizo* communities is planned elsewhere to enhance territorial rights and appropriate development. Furthermore, in July 2008 IL consortium partner the Foundation for the Survival of the Cofán People signed an agreement with the Ecuadorian Government's new program to increase investment in development actions in the country's northern border with Colombia (i.e., *mestizo* communities in La Sofia), as well as provide land demarcation assistance and political support for the Cofán. The Cofán continued to work with the Shuar and Kichwa in the Cuyabeno Reserve territories to reduce traditional tensions over land use and generate interest in replicating the Cofán management model. Preliminary meetings with the neighboring Secoyas are also under way to achieve conservation objectives.
- IBC in Peru made strides in its titling-related work with the Cacataibo Indigenous Peoples. IBC prepared satellite imagery, documentation, and a variety of digital materials to create awareness on the urgency of protecting these vulnerable people from further encroachment by settlers and others. Through an October 2007 flyover of the territory of the Cacataibo Indigenous Peoples in Voluntary Isolation, IBC confirmed an increase in farming, illegal timber extraction, and settlement inside and around the Proposed Territorial Reserves for the Cacataibo Indigenous Peoples in Voluntary Isolation. IBC has also been working with the Native Federation of Cacataibo Communities (Federación Nativa de Comunidades Cacataibo or FENACOCA) in Peru on resolving land-titling problems in the Unipacuyacu Native Community. This community has been requesting title to its communal territory for over 16 years. IBC supported the identification of boundaries, and the Community and the Village of Pampa Hermosa signed a Delimitation Act in November 2007 that involved the government in resolving this situation. In this act, the representatives of Pampa Hermosa recognize the Unipacuyacu territory and agree to respect its more than 22,000 hectares. A final agreement has not yet been reached among the parties, but progress was made in the process of negotiation.

- Seventeen years ago, the Puerto Azul indigenous community first requested title for expanded communal territory. In December 2007, IBC helped their leader and FENACOCA representatives to arrange a meeting with high-level government offices at INRENA's Technical Administration for Forest and Wildlife Control. The December 2007 meeting focused on the feasibility of establishing an exclusion zone to protect these forests from ongoing production operations and the steps necessary to grant a concession and advance the title application. The state authority committed itself to accelerating the process and submitting the documentation required by the land titling agency, Ucayali's Regional Director for Agriculture. Although there has been turnover in the leadership of this latter office, IBC has continued to work with the new director to carry on the process of land titling.
- Some partners are working to broaden participation in decision-making within indigenous organizations. For example, WCS supported a meeting of women representatives from the different indigenous groups affiliated with the Central Indigenous Peoples of La Paz (Central de Pueblos Indígenas de La Paz or CPILAP), a regional organization of Amazonian indigenous people. This meeting allowed them to discuss different options for organizing women's representation, its role, nature, and purpose and develop a draft initial work plan, which will be concluded in a second meeting in May 2009.

Stakeholder Participation

- The MMCC lead institution, WCS, supported the development of a strategy for the participation of indigenous peoples in national protected area management in Bolivia. They helped to develop a cooperative agreement among the Confederation of Indigenous People of Bolivia (Confederación Indígena del Oriente Boliviana or CIDOB), SERNAP, and the Vice-Ministry of Biodiversity, Forestry Development, and Environment in October 2007.
- WCS also supported the indigenous federation CPILAP in participatory strategic planning and development of a collective proposal for co-management of a Madidi protected area. Between August and September, WCS also supported CPILAP in the development of their Strategic Institutional Plan (2008–12) through a participatory process with the different organizations that make up CPILAP (Mosetenes, San Jose de Uchupiamonas, Lecos Apolo, Lecos Larecaja, and Tacanas). During this consultation process, three new indigenous groups became affiliated with CPILAP: the T'simanes of Pilon Lajas, Ese' Eja of Eyiyoquiibo, and the Moseten Agroecological Community of Palos Blancos. CPILAP now represents all lowland Amazonian groups found in La Paz Department apart from the Araona. The co-management proposal for the Madidi protected area and several proposals for other protected areas have been presented for SERNAP's consideration and are principal inputs for the development of a new regulatory framework for local participation in protected area management.
- For the landscape planning process, community-level strategic planning is crucial. During the past year, WCS advanced in its work with indigenous organizations in the Madidi-Manu landscape for conservation and land management objectives. At the local level, WCS concluded its diagnostic phases of both the Lecos Larecaja and Lecos Apolo management plans for the indigenous territories. Each indigenous organization developed a methodology for developing strategic plans at the community level, consolidating them into groups of neighboring communities, and then integrating them into a strategic and territorial management plan for their indigenous organization's TCO. This process includes the development of general regulations for the management of the TCO. The Lecos Larecaja methodology is complete, and

implementation of this final phase of the strategic planning process has begun. PILCOL in Bolivia participated in development of the terms of reference and selection of the technical team that will work with them in this phase. In July WCS helped two communities of the Lecos Larecaja to develop successful proposals for PUMA Foundation funding (i.e., the Pacu breeding project in Uyapi and ecotourism in Chuswara).

- WCS has worked with several departmental governments, municipalities, and other partners on natural resources and protected area planning. Their analysis, in partnership with the La Paz and Beni Departmental Governments, entitled *"Identification of Priority Areas for Conservation in northern La Paz and Beni Departments"* led to an approved Plan for the Establishment of a System of Departmental Protected Areas in the La Paz Prefecture. Conservation International was a partner for the Beni portion of the analysis; in the La Paz Department, WCS worked with Nativa, a Tarija-based NGO (Bolivia). In the Ixiamas Municipality in Bolivia, local government established a tourism office with WCS assistance and hired its first tourism technical staff.

Management Plan Development

- Maps have been effective tools for fire management aspects of land management. Some M-P consortium partners are collaborating with local government to use current climatic data to produce fire risk maps for Pando (Bolivia). In Pando, Herencia has led mapping activities with M-P partner Amazonian University of Pando (Universidad Amazónica de Pando or UAP), as well as the Prefecture of Pando, and produced joint fire risk maps for nine municipalities in Pando to prepare for the arrival of the burning season. In addition to the maps, Herencia and its collaborators have produced reports on best practices for the use of fire and have held meetings with stakeholders on fire risk. These efforts will be reproduced in Madre de Dios in FY 2009 through proposed cooperation with GOREMAD, PEMD-INADE, UNAMAD, and Peru's Ministry of Agriculture
- To support improved territorial management and resource use and strengthened regulations for territorial usage in the face of new and increasing pressures, the IL consortium member IBC conducted participatory mapping in several communities in Peru. IBC and member communities of FECONAU geo-referenced the communal territories and recorded socioeconomic information for each community. This information was then incorporated into IBC's Information System on Native Communities of the Peruvian Amazon (Sistema de Información sobre Comunidades Nativas de la Amazonía Peruana or SICNA) and IBC was able to produce territorial maps of the native communities in the Selva Central. As an added benefit of this activity, IBC invited members of FECONAU's Board of Directors to participate in community visits, and they talked with communities directly about their problems. Elsewhere in Peru, IBC worked with the Puerto Azul, Puerto Nuevo, and Sinchi Roca communities on participatory mapping for already titled area, as well as the proposed expanded area. The latter encompasses 157,144 hectares and other territories used by the communities. As part of this mapping activity, both men and women in these communities identified their current land uses on a map, diagnosed their needs, and discussed ways to improve their management and natural resource use. In March 2008 IBC also conducted participatory mapping for an area of the Unipacuyacu Native Community that occupies approximately 22,946 hectares. They have particularly encouraged women's participation so that their land use is mapped and their needs are addressed.

- Registration and management of landscapes also requires better information on biological resources. The IL consortium has leveraged the cooperation of a non-ICAA partner, the Field Museum of Chicago, for a Rapid Biological Inventory in the Rio Cofanes territory in Ecuador in October 2008. The inventory results will be used to develop a formal management plan for the area, which is a prerequisite for the formal establishment of the 70,000-hectare La Bonita Municipal Reserve. If successful, this municipal reserve would be in addition to the 30,000 hectares already assigned to the Cofán in La Sofía. IL will work with the local community and the municipality to legally register the reserve. Procedures are new, because this category of land protection is new in Ecuador. The MMCC consortium completed a baseline deforestation analysis for an area of approximately 34,000 square kilometers in the Apolobamba, Pilon Lajas, and Madidi region of Bolivia. Results show that land cover and land use change tend to be higher in the Amazonian lowlands and vegetation cover loss is greater along roads and in population centers. The tropical forest in the Madidi landscape has had relatively low deforestation rates during the past ten years. Overall, there have not been radical changes in forest cover in the Madidi landscape, but its forest cover loss is statistically lower in protected areas and the titled area within the Tacana TCO than in adjacent areas. WCS produced articles on specific and emblematic wildlife species on biologically significant hectares, including the Bolivian titi monkey, the Andean condor in Apolobamba, and the spectacled bear.
- In Bolivia's Lecos Larecaja and Lecos Apolo indigenous territories, WCS has concluded the diagnostic phase of these Territorial Plans. They have also provided technical and logistical support to the regional federation CPILAP in the development of their 2008-12 strategic plan and supported the national organization of Amazonian indigenous people of Bolivia (CIDOB) in developing a joint action plan with SERNAP, the national protected area service.
- For the Pilon Lajas areas in Bolivia, WCS of the MMCC consortium provided all technical support and information for management plans and leveraged additional funds from Conservation International. The Pilon Lajas Life Plan–Management Plan was formally reviewed by SERNAP and the Vice-Ministry of Biodiversity, Forestry, and Environment. In both the Pilon Lajas and Madidi protected areas, WCS began implementing the Integrated Environmental Monitoring System for the Madidi and Pilon Lajas protected areas. They trained 15 park guards from both protected areas in data collection, entry, and processing. In addition, they trained four park guards on the appropriate use of global positioning system and geographic information system technology. After evaluation of the first monitoring report for both protected areas by SERNAP's Director of Monitoring, WCS made adjustments and SERNAP revised its protected area guidelines.
- WCS drafted a strategic and territorial plan for the Association of Municipalities of Northern La Paz. It includes plans for protected area management, indigenous territorial management, as well as existing municipal plans and a landscape-level government plan. The plan must be approved by regional stakeholders before it is considered final.
- Advances in conflict monitoring should help to improve protected area management. WCS supported a locally published national study that was completed in September 2007 on environmental conflicts in protected areas.⁵ It links to a baseline database of 58 existing and historical conflicts regarding 18 protected areas, which will be used by SERNAP's monitoring

⁵ Elvira Salinas. 2007. *Conflictos ambientales en áreas protegidas de Bolivia*. WCS, La Paz.

department. SERNAP has leveraged funding from the Danish International Development Agency (DANIDA) to implement the conflict monitoring recommendations.

- Most of the ICAA consortia work with government at different levels to achieve improved resource management on particular landscapes. For example, in Bolivia, WCS of the MMCC consortium supported SERNAP's analysis of new local participation mechanisms for protected area management. WCS also provided technical information on the design and implementation of an integral monitoring system and specific biodiversity information on Madidi, Pilon Lajas, and Apolobamba areas, as part of Bolivia's National Report for the second Latin American Congress of Protected Areas. In the prefectures of La Paz and Beni, WCS collaborated with Conservation International and identified 11 priority conservation opportunity areas in the two departments, based on conservation status, presence of key species, connectivity with national protected areas linked to wildlife corridors, and land tenure aspects. In coordination with the Beni Prefecture, WCS evaluated the possibilities for linking these areas to climate change mitigation efforts and wildlife health issues. To explore the biological potential of a potential project in northern La Paz–Pampas del Norte de La Paz, WCS is collaborating with several local Bolivian conservation research organizations and also the New York Botanical Garden to conduct a biological survey.

Financial Plans/Resources

ICAA work on developing financial plans and ensuring commitments for financial resources for improved management is less advanced than titling, stakeholder participation, and management planning. In the La Bonita Municipal Reserve in Ecuador, ICAA funds will be used initially to work with authorities at various levels of government, as well as the *mestizo* communities on these conservation management structures. The IL consortium has trained a cohort of voluntary park guards for the reserve, but has plans to help the municipality find funding for its own guard program.

BOX 5. WOMEN LEADERS IN BRAZIL NUT ASSOCIATIONS

Bolivia is the Amazon region's largest producer of Brazil nuts. These nuts are an important livelihood option for both men and women in the Departments of Pando, Bolivia and Madre de Dios, Peru. While some crops have a very specific gender division of labor and have male-dominated producer associations, Brazil nuts appear to offer greater opportunities for women to earn money and take leadership roles.

In each of the two main Brazil nut associations in Madre de Dios, a woman has taken a leadership role and served as a role model of sustainable practices for other farmers. For the Brazil nut farmers of the Tambopata Reserve (ASCART), Vilma Zegarra has drawn on what she has learned during ASCART's five-year relationship with MMCC consortium partner ACCA to achieve organic certification for her nut groves. Her work to strengthen ASCART led to it receiving the first organic certificate awarded in the region by the Institute of Marketecology (Institut für Marktökologie or IMO) headquartered in Switzerland. Sara Hurtado of ACCOT has also helped her organization to achieve the IMO organic production certificate. Sara believes that organically produced Brazil nuts are key to the development of the Madre de Dios Region in a socially equitable and environmentally responsible manner that ensures the conservation of Peru's Amazonian forests.

Marketing Ventures

- In return for supporting conservation objectives, local communities often request help with viable livelihood alternatives. MMCC consortium partners ACCA and the Center for Investigation and Promotion of Small Producers (Centro de Investigación y Promoción del Campesinado or CIPCA), are focused on Brazil nut harvesting. They made significant progress on an economic, financial, and marketing analysis of Brazil nuts in Madre de Dios in 2008, an inventory of Brazil nut trees located in the Tacana II TCO, and its database of Brazil nut harvesters in Madre de Dios. These elements together with their plan for "Conserving Brazil Nut Forests," will be finalized in early FY 2009. With support from ACCA, two producer associations – Farmers of the Tambopata Reserve (Asociación de Castañeros de la Reserva de Tambopata or ASCART) and Association of Organic Brazil Nut Farmers of El Triunfo (Asociación de Castañeros de Certificación Orgánica El Triunfo or ACCOT) – obtained certification as organic Brazil nut producers. ACCA also completed a new management plan for the Los Amigos Conservation Concession and developed options and opportunities to charge fees for environmental services (Box 5).
- To address needs for alternative livelihoods, WCS of the MMCC consortium helped the Tacana indigenous group to develop sustainable wildlife management plans. WCS supported the first effort to develop a technically supported ornamental fish management plan in Bolivia, let alone one that benefits indigenous peoples. WCS is developing the community capacity of Tacana indigenous people for sustainable management and income from wildlife, including ornamental fish and spectacled caiman. For the fish, WCS studies indicated 130 species of fish with ornamental sales potential, and experimental harvests were done for 33 priority species with desirable characteristics and abundance. This work led to a request for technical support from the General Biodiversity and Protected Area Directorate (Dirección General de Biodiversidad y Areas Protegidas or DGBAP), as they began to develop regulations for ornamental fish

management during a December 2007 workshop in La Paz. For the spectacled caiman (*Caiman yacare*), the Tacana leadership obtained formal approval from the departmental and national authorities and the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora Scientific Authority to carry out a caiman harvest. The harvest would be based on one of the only site-based specific management plans in existence for this species in Bolivia. The plan, started in 2001, was the result of a participatory process with communities. It included caiman population data that were collected from different areas of the Tacana indigenous territory. The 2007 harvest of skins and some meat yielded \$7,879. CIPTA reserved 20 percent of the revenue for a fund for caiman management, and 80 percent was distributed among the participating caiman hunters, who each earned approximately \$316–\$338. This first harvest provided national authorities with useful information on impacts due to CIPTA's commitment to monitoring caiman populations between harvests and report on harvest efficiency, including lost individuals and skins of inadequate size.

- The SL consortium strengthened its relationship with the different actors from the coffee and cocoa chains:
 - In Ecuador, SL consortium partner CyD has targeted agricultural sectors in the Amazon region and particularly aimed to engage indigenous groups. They have signed several memorandums of understanding (MOUs), including two with indigenous communities: 1) the Cofán (through FEINCE) and 2) the Kichwa, an indigenous group living along the Napo River. Tenant farmers, other indigenous groups, and local governments have also signed MOUs (e.g., Asociación San Carlos, Provincial Council of Sucumbios, and the Municipality of Joya de los Sachas, among others). Moreover, CyD has met with private and public sector actors within the cocoa chain, including provincial governments, private cocoa companies and financial groups and NGOs interested in supporting and collaborating with ICAA counterparts.
 - In Peru, the SL consortium strengthened its relationship with public and private sector actors from the coffee chain, including the National Coffee Board, Peruvian Chamber of Coffee, and Ministry of Agriculture's National Direction of Crops (Dirección Nacional de Cosechas).
 - In the San Martín region, the SL consortium has signed agreements for joint activities with the Alto Mayo special project (part of the regional government), the Group of Coffee Organizations of San Martín (CAFESAM), and the alliance between Pronatur (a coffee-exporting company) and the Association of Agro-Ecological Producers (Asociación de Productores Agroecológicos or APROECO), a farmers' organization with 1,200 members in the northeast of Peru.
 - In the Cusco and Puno regions, the SL consortium has signed agreements to carry out project activities with two coffee cooperative groups, the Central Coffee Growers Cooperative (Central de Cooperativas Agrarias Cafetaleras or COCLA) and Central Coffee Growers Cooperative of the Sandia Valley (Central de Cooperativas Agrarias Cafetaleras de los Valles de Sandia or CECOVASA).
- On the global front, the international cocoa and chocolate industry is showing a strongly increasing interest in Rainforest Alliance certification, mainly from growing consumer pressure for ethical sourcing. The Rainforest Alliance has been intensively meeting with processing and manufacturing companies in the United Kingdom, Europe, and United States to expand the

South American business from two major companies, who have already committed to source-certified cocoa from Africa. The Rainforest Alliance has undertaken two marketing initiatives to specifically support cocoa producers in Ecuador. Under the first, they are facilitating promotional support to Ecuatoriana de Chocolates, which participated in a large trade fair in Germany in January 2008. For the second initiative, the Rainforest Alliance is providing support to Daniel Houser, a staff member of SL partner organization CyD to attend the Biofach trade fair in Germany in February 2008. This is the premier trade fair for organic and sustainable food products. Along with Nestor Niño, the commercial manager of Aroma Amazónico who was sponsored by GTZ to participate in the fair, the pair was able to staff a stand and strongly promote Ecuador's cocoa.

- An MOU is the first step for working with tourism operators under the Rainforest Alliance's Tourism Program. In FY 2008 the Rainforest Alliance signed four MOUs in Ecuador (i.e., Napo Wildlife Center, Tapir Lodge, Sani Lodge, and Jardín Alemán Lodge). Additional agreements are in discussion with others, including the National Association of Inbound Tour Operators of Ecuador, which has a president who is enthusiastic about having his 48 tourism operator members adopt best management practices and begin the certification process under Smart Voyager. In Peru, the Rainforest Alliance signed an MOU with Hoteles Link Peru and another agreement was signed with the Regional Bureau of Foreign Trade and Tourism of Cusco (Dirección Regional de Comercio Exterior y Turismo del Cusco or DIRCETUR), which is focused on increasing the number of operations using best management practices in Cusco, Machu Picchu, and Manu National Park. Verbal agreements, to be followed by MOUs, have been reached with the Dean of the Faculty of Tourism at the University of San Ignacio de Loyola and the National Director of the Tourism Training Center (Centro de Formación en Turismo or CENFOTUR), both in Lima. The first drafts of both MOUs are currently being developed.
- The SL consortium certified four Ecuadorian tourism operations under Ecuador's Smart Voyager Program: 1) six-hectare Yachana Lodge, Napo Province, 2) 100-hectare Cabañas Ecológicas Copalinga, Zamora Province, which is close to the Podocarpus National Park, 3) four-hectare Cotococha Lodge, Napo Province, and 4) the Manatee Floating Hotel, which is based in the port of Francisco de Orellana and sails along the Napo River into Yasuní National Park (Box 6)

BOX 6. GLOBAL RECOGNITION FOR TWO ICAA-FUNDED SUSTAINABLE TOURISM PARTNERS

The Yachana Lodge in Ecuador was named by the United Nations World Tourism Organization (UNWTO) as one of three projects on a worldwide scale that best manages community-based tourism as a way to alleviate the poverty of the country. In the indigenous language Quichua, *yachana* means "place to learn."

The World Travel and Tourism for Tomorrow group recognized Ecuador's Termas de Papallacta as one of its "Best Destinations." This hotel and hot springs hosted part of the Second ICAA Partners meeting and its manager shared its management philosophy and practices with the ICAA partners during a lecture and field tour.

Table 4. FY 2008 ICAA Cumulative Target and Achievements for Improved Management Hectares by Consortia

<p>Cumulative Target (Indicator 1): 1,219,411 hectares in areas of biological significance under improved management as a result of United States Government assistance.</p>	<p>Cumulative Result: 1, 071,494 hectares (86% of target achieved)</p>					
	<p><i>Notes: Management plan and financing activities slower than expected.</i></p>					
	IL	MMCC	M-P	SL	ISU	TOTAL
427,750	492,015	Not adopted	46,258	Not adopted	966,023	
<p>Cumulative Target (Indicator 2): 5,005 people trained in natural resources management and/or biodiversity conservation as a result of United States Government assistance.</p>	<p>Cumulative Result: 6,892 people (138% of target achieved)</p>					
	IL	MMCC	M-P	SL	ISU	TOTAL
	267	4,884	0	1,466	275	6,892

POLICY DIALOGUE AND IMPLEMENTATION

THE AMAZON CONTEXT

Amazon development policies, which were typically national in scope in the past, are now strongly influenced by trade policies and major infrastructure development projects that span national boundaries. While there are potential positive economic impacts, there is also great potential for grave environmental and social risks and damage. For trade policy implementation, USAID is already collaborating with national governments and others on the environmental and labor aspects. The situation with infrastructure projects is often even more complex. These projects have opened and will open up areas with some of the region's highest levels of biodiversity and populations of both contacted and uncontacted indigenous peoples. Besides roads, such as the partially paved Interoceanic Highway, which links the Amazonian regions of Brazil and Peru, and other transportation-related infrastructure, other projects include mining of oil, gas, and minerals, and hydroelectric dams.

The transparency of governance and policy making is a significant issue in the Amazon. Too few decision makers are involved in national, regional, and global policies on trade and infrastructure; decision-making processes are often unnecessarily rushed. Decision makers have provided too little information to the affected communities and civil society organizations, and it is rare to have processes for soliciting stakeholder inputs. Many of the most negative environmental and social impacts of these projects could be defrayed via increased transparency and participation by multiple stakeholders in the planning and implementation processes.

During FY 2008, four of the five consortia (M-P, IL, MMCC, and the ISU) have implemented activities related to dialogue about policies, laws, agreements, and regulations (PLARs), and one partner is reporting this year on the shared indicator about policy implementation (Table 5 and Box 7). Collectively, ICAA and USAID also refer to laws, agreements, and regulations as policy, in a broad sense, and do not limit the term policy to only public policy. While some consortia may prioritize formal government policies, others focus on informal policies that can be endorsed by other levels of governmental or nongovernmental organizations, civil society organizations, private sector stakeholders (e.g., associations of sectoral enterprises), communities, and resource user groups. In all cases, the ICAA partners are focused on policies that strengthen sustainable NRM and conservation.

As noted above in the introductory section, both Bolivia and Peru have undertaken policy and institutional changes that have implications for ICAA work. Policy-related work by NGOs in Bolivia was hindered in FY 2008 by long-standing government suspicion about NGO activities, a pending national constitutional referendum, and anti-USAID attitudes expressed by the national government, which have resulted in less cooperation by some local government partners. In contrast to Bolivia, the Peruvian Government is not typically openly hostile to NGOs but there have been some tensions at times when it comes to civil society oversight of extractive activities that could be seen as limiting or discouraging investment.

BOX 7. ILLUSTRATIVE POLICIES TARGETED BY ICAA PARTNERS

- Territorial demarcation
- Territorial management
- Multi-stakeholder partnership agreements for planning
- Infrastructure planning
- Mitigation of road development impacts
- Co-management
- Community conservation
- Financial mechanisms

In FY 2008, ICAA PLAR-related activities included the following:

Securing Indigenous Territorial Rights

- WCS, the lead in the MMCC consortium, has also provided legal assistance to the Lecos Larecaja and Lecos Apolo for the consolidation of their indigenous territories. PILCOL has been awarded land titles for a second 24,250-hectare polygon of the Lecos Indigenous Territory in the Guanay region. WCS has also continued to provide land titling support for CIPTA. The Tacana secured an additional 16,000 hectares during this reporting period, and their TCO now has a total of about 388,000 hectares. The process for titling the second Tacana TCO has not yet concluded,



Tacana woman leader, Kantuta (far right) played an active role in the ICAA Territorial Management Working Group and is involved in efforts to secure Tacana territorial rights in the TCO near Tumupasa, Bolivia. *Credit: Rob Wallace*

although the size of the demand was formally approved following an official government study of the spatial needs of the four northernmost Tacana communities of La Paz Department. Much of the information analyzed in the government report was provided by the CIPTA-WCS study and planning process for a Sustainable Natural Resource Management Strategy for the Tacana TCO II, which is going to press in the next month, following formal approval from CIPTA and the communities. The CIPTA administrative unit now directly manages funds with a comprehensive administrative manual and an in-house accounting system. Under this new and groundbreaking relationship, the quality and speed of administrative reporting has gradually improved in the past year, and CIPTA is committed to a formal financial audit by the end of 2008. The CIPTA administrative unit now consists of four out of five locally hired Tacana and is an outstanding achievement for the outgoing Directorate and the CIPTA-WCS partnership.

- The Peruvian Society for Environmental Law (Sociedad Peruana de Derecho Ambiental or SPDA) has achieved important advances in consolidating relationships and planning conservation initiatives in Madre de Dios and in responding to new policy challenges. Particularly important has been continuing work with the Regional Government of Madre to consolidate Lago Valencia as a regional conservation area, based on a sustainable development plan for the area, which will allow for the commercial use of sustainable activities, such as the collection of Brazilian nuts, fishing, and ecotourism, as well as indigenous traditional use of the land to collect, hunt, and fish. This will strengthen the legal basis for conserving the area's biodiversity, building on the Regional Ordinance signed in December 2007 that declared Lago Valencia to be of regional interest (Box 8).

BOX 8. ENSURING LOCAL PARTICIPATION FOR THE PROTECTION OF VALENCIA LAKE

Valencia Lake near the Peru-Bolivia border is a national treasure, given its high biodiversity, commercial fishing value, and tourism potential. Covering about 500 hectares, it is the biggest lacustrine ecosystem of Madre de Dios and one of the main freshwater reservoirs in Peru's southern Amazon area of Madre de Dios. Its biodiversity includes large populations of threatened species, such as the giant river otter (*Pteronura brasiliensis*). Recent plans to build the Puerto Maldonado-Iberia Highway, which is a portion of the Southern Interoceanic Highway within Peru, have had very little input from local stakeholders about positive and negative impacts.

There are two main groups of residents near the lake. The Ese'ejá native people have been living in the Palma Real vicinity of Valencia Lake since at least 1860. This native community is one of the eight Ese'ejá communities settled near rivers in Peru and Bolivia and the largest native community in the lower Madre de Dios area with about 260 residents. Other Peruvians colonized this area in 1921 after the arrival of the Peruvian Army in approximately 1910. The military founded Valencia Lake Community Association (Caserío del Lago Valencia), which began with about 40 families. With colonization, the Ese'ejá people were displaced to land on the right bank of the Madre de Dios River, but continued to depend on the lake's natural resources.

SPDA, a member of the MMCC consortium, began working in December 2006 with community and environmental NGO partners to conserve and protect the Valencia Lake ecosystem. They addressed illegal mining threats with the Regional Government of Madre de Dios. They formed an interdisciplinary team and completed a technical study that identified how best to protect wildlife and landscape resources, while preserving traditional hunting and fishing rights and promoting sustainable commercial activities (i.e., Brazil nut collection, fishing, and ecotourism). To promote sustainable development, SPDA and its partners developed agreements with communities about sustainable development activities, convinced the regional government to pass a Regional Ordinance in December 2007, which clarifies the region's interests in protecting and development of Valencia Lake, and will provide technical and legal support.

Analyzing and Mitigating Infrastructure Impacts

- IBC, TNC, and the ICAA Support Unit convened policy dialogue events aimed at gathering information, connecting key allies, and preventing negative impacts on the indigenous lands and protected areas of the Selva Central. Focusing first on the proposed road from Pucallpa, Peru, to Cruzeiro do Sul, Brazil, these ICAA partners organized a July 2008 meeting in Pucallpa with several NGOs, indigenous organizations, and regional government representatives. The attending organizations created a formal Monitoring Group focused on the Pucallpa-Cruzeiro do Sul project, as well as three other projects (i.e., the proposed Puerto Salaverry-Juanjui road, which connects to the Pucallpa-Cruzeiro do Sul road; the Yurimaguas-Orellana road project; and the train project for the Bayvar-Moyobamba-Tingo Maria corridor). A follow-up Pucallpa meeting in August 2008 included national government authorities and Brazilian organizations, using TNC/Peru's connections with the Peruvian Government and organizational allies in Acre. ISU is gathering information and connecting with additional partners. The aim is to conduct an

assessment of the potential socio-environmental impacts on the region of these projects and identify what actions should be taken to avoid or mitigate and, if necessary, compensate the impacts.



Migration on the Ucayali River near San Francisco, Peru. *Credit: Mariano Castro*

- Cooperation with existing alliances and partnerships for regional conservation and NRM helps maximize the effectiveness of ICAA policy funding. WCS is supporting the Peruvian NGO Law, Environment and Natural Resources (Derecho, Ambiente y Recursos Naturales or DAR) to conduct an informational campaign on behalf of the Collective on Natural Protected Areas and Hydrocarbons on the conservation value of Bahujaja Sonene National Park, with support from the Blue Moon Foundation. Because of a timely response by the Peruvian and international environmental communities, especially leadership provided SPDA and the collective, the Peruvian Government has been unsuccessful in its attempts to degazette the Candamo area of Bahujaja Sonene National Park for hydrocarbon exploration and exploitation. MMCC consortium partners, ACCA, SPDA, and WCS are members of the collective. Continuing partnership with this collective and others helps to maintain the physical integrity of Bahujaja Sonene National Park and the Peruvian protected area system.
- WCS in conjunction with CSF, both MMCC consortium partners, produced an integrated analysis of the costs and benefits of road projects in the northern Bolivian Amazon. The study focused on the increased operational costs of managing protected areas due to road construction projects.
- There were a number of ICAA actions taken specific to the Interoceanic Highway:
 - In some situations, environmental and social assessment information is still needed to understand infrastructure impacts. CSF and WCS created and publicized an environmental

assessment of the impacts of an improvement and construction proposal on neighboring protected areas. They focused on the Northern Corridor of the Interoceanic Highway.

- SPDA is also an active member of the working group established to address the integrated impacts of the southern leg of the Interoceanic Highway, supporting the group's activities from offices in Lima and Puerto Maldonado. SPDA is providing leadership within a committee formed by members of the working group to follow legislative initiatives in the Peruvian Congress. This committee has completed a work plan and is participating in the meetings of several congressional commissions related to infrastructure development and conservation.
- As part of M-P consortium activities to meet with local stakeholders and monitor environmental and social changes along key Amazonian roads, consortium members conducted reconnaissance activities along the Interoceanic Highway in Peru and Bolivia.
- The Department of Madre de Dios Peru is being threatened by the direct impacts of projects for road infrastructure and hydrocarbons. For this reason, MMCC consortium members are participating in initiatives to generate and share information about what these development plans mean for local people and their livelihood options. During the previous year, SPDA and WCS have been particularly active in supporting the development of a work plan by the ICAA Infrastructure Working Group, including supporting the definition of geographic and project priorities that include the integrated impacts of the Interoceanic Highway in Madre de Dios. SPDA and WCS have also supported the working group as it has explored possible alliances with Bank Information Center / Building Informed Civic Engagement for Conservation in the Andean Amazon (BIC/BICECA), by influencing the Inter-American Development Bank, the Corporación Andina de Fomento, and other donors financing major infrastructure investments in the ICAA area to adopt Strategic Environmental Assessments as a standard part of the design process
- WCS concluded a study of the differential impacts of the Interoceanic Highway in different areas of Madre de Dios, based on the kinds of economic activities that are most important in each area, and the socioeconomic characteristics of the population. The results of this work will help support a related exercise by the CSF, ACCA, WCS, and the Peruvian NGO Analysis and Development Group (Grupo de Analisis y Desarrollo or GRADE) to define what should be the priority areas of investment along the highway's right-of-way to best address the integrated impacts of the investment.
- SPDA, ACCA, and WCS have continued to participate in the civil society working group for the southern branch of the Interoceanic Highway, the most important and active civil society initiative, with participants from Lima, Cusco, Madre de Dios, and Puno. In Lima and Puerto Maldonado, this group has facilitated dialogue among key actors concerned about the impacts of the highway and has provided advice to local and regional authorities and local organizations to help them assess potential impacts and respond to the combination of threats and opportunities for conservation and sustainable development that the highway represents.

BOX 10. CREATION OF A DEPARTMENTAL PROTECTED AREA SYSTEM FOR LA PAZ

On July 7, 2008, the Departmental Council of the La Paz Prefecture approved its Plan for the Development of the La Paz Departmental System of Departmental Protected Areas (Plan de Desarrollo del Sistema de Áreas Protegidas Departamentales de La Paz). The plan was developed by the Natural Resources and Environment Directorate of the Prefecture, with support from WCS and the Bolivian NGO NATIVA, and it provides a guide for building and managing a departmental system of protected areas that will complement and support the National System of Protected Areas and extend protection to areas important for biodiversity conservation that are not part of the national system. The decision also reflects the growth of a constituency in La Paz, which supports conservation in general and protected areas in particular as expanding development options in rural areas and contributing to the quality of life of rural people.



Construction of the Interoceanic Sur Highway near the MMCC landscapes in Madre de Dios, Peru.
Credit: Mariano Castro

- Beyond roads, ICAA partners are also engaged in policy dialogue for hydroelectric projects. The San Rafael waterfall in Ecuador is part of the Cofán mosaic and is the site of a Ministry of Electricity hydroelectric project. A site visit in May 2008 by staff from TNC, Fundación Cofán, and ISU led to a commitment by ISU to prioritize the project for the ICAA Infrastructure Working Group. In June 2008 Fundación Cofán arranged for a waterfall visit by an advisor to the Minister of Electricity. They discussed how the Cofán people could have more participation in the project's decision making, how to better address environmental and sociocultural impacts

on the Cofán area and Cayambe-Coca Reserve and agreed to send a follow-up proposal about mitigation and compensation to the Minister of Electricity.

Cultivating Conservation Constituencies

- WCS has supported the Fundación Amigos del Madidi in carrying out a first round of debates in Guanay, San Buenaventura, and Ixiamas urban centers about conservation and development. It is hoped that these debates will develop a stronger constituency for conservation in the local urban centers surrounding Madidi Protected Area. Additionally, WCS has supported rural stakeholders represented by the indigenous and colonist organizations surrounding Madidi Protected Area to participate in the process of developing a strategic and territorial vision for the Amazonian Parliamentary Brigade of Bolivia in collaboration with the Ministry of Planning, Presidency, and Rural Development.

Advancing Indigenous Capacity and Interests

- As one example at the national level, WCS provided technical and financial support for the Strategy for Participation of the Federation of Indigenous Communities of Eastern Bolivian (CIDOB) in the Management of the National Protected Areas System. It included a formal agreement between the Vice Ministry of Biodiversity, Forestry, and Environment; SERNAP; and CIDOB, which was signed in October 2007. At the regional level, WCS and the regional representative organization for indigenous people CPILAP worked together to develop the first Strategic Institutional Plan (Box 10).
- Building relationships with regional and municipal governments in the Amazon areas also helps to develop conservation constituencies among decision makers and local populations. Their quality of life is tied to the quality of Peru's biodiversity, habitats, and ecosystems. Both ACCA and SPDA, members of the MMCC consortium, have built strong relationships with the Regional Government of Madre de Dios and strengthened the regional government's planning and oversight capacities.
- The IL consortium used ICAA funding to bring together four of the six recognized indigenous federations presently operating in the Sucumbios Province (i.e., Shuar, Siona, Kichwa, and Cofán nationalities) for a Lago Agrio meeting with the Minister of Indigenous Groups and Social Movements and her staff. They developed a framework that will guide the development of conservation structures in neighboring communities. At this meeting, the Cofán were able to establish themselves as provincial-level conservation leaders.



San Rafael Waterfalls located in the Ecuadorian Cofán indigenous territory is slated for hydropower development. *Credit: Mariano Castro*

- ICAA partners have expanded opportunities for government actors to learn about and dialogue with indigenous peoples organizations. For example, IL consortium partner IBC supported an inter-institutional coordination meeting focused on consensus-based identification of development activities for indigenous communities that are FECONAPIA members. This meeting took place in March 2008 in Huánuco, Peru where increased coordination and collaboration between State actors such as the Alternative Development Program in the Areas of Pozuzo and Palcazu (Programa de Desarrollo Alternativo en las Cuencas de Pozuzo y Palcazú or PRODAPP) and the Board of Directors of FECONAPIA facilitated the implementation of various activities in FECONAPIA's annual work plan.
- Some of the ICAA partners focus specifically on policies related to the rights of indigenous peoples, particularly those who live in voluntary isolation:
 - For example, in December of 2007, the IL consortium partner, IBC, cooperated with FENACOCA and the US-based Center for International Environmental Law (CIEL) on a request to the Inter-American Commission on Human Rights (IHRIC). The traditional territories of the Cacataibo Indigenous Peoples who live in voluntary isolation, are located in the Peruvian Amazon. These indigenous lands are the target of oil and gas exploration. There is ample historic evidence in Peru and elsewhere that suggests that forced contact with isolated indigenous groups increases their risk of disease, death and ethnic extinction. The CIEL request to the Inter-American Human Rights Commission focused on precautionary measures to protect the life, health, and personal integrity of the Cacataibo Indigenous Peoples in isolation, but has not yet received a response. In conjunction with this request, IBC, FENACOCA, and CIEL held a press conference with national and international media to denounce the entry of Petrolífera Company workers into Cacataibo territory to open exploratory trails. Exploration alone will pose a high risk of forced contact with the uncontacted Cacataibo people. The press conference organizers also discussed the need to create the two proposed Territorial Reserves.
 - Indigenous and other communities living in remote rural areas need help in understanding proposed infrastructure projects and how to protect their territorial rights. To strengthen the capacity of Peruvian indigenous groups, inform them about oil production and generate policy dialogue, IBC of the IL consortium held a three-day seminar in an indigenous community in March 2008. The seminar focused on helping indigenous groups with communal land rights to learn how to defend their territorial interests from different extractive companies. In addition, many seminar participants learned for the first time about the Cacataibo peoples who live in voluntary isolation and the negative consequences of oil exploration in their areas. IBC collaborated with FECONAPIA and Peru's Ministry of Energy and Mines (Ministerio de Energía y Minas or MINEM). Besides indigenous leaders, other participants included the Adventist Development and Relief Agency (ADRA), the national indigenous organization Inter-Ethnic Association for the Development of the Peruvian Rainforest (AIDSESEP), the Regional AIDSESEP Organization of Ucayali Organization of Ucayali Peoples (Organización Regional de Pueblos del Ucayali or ORAU), the Defensoría del Pueblo (Peruvian Ombudsman), the District Municipality of Tournavista, INRENA, the regional government, and the state-owned company Perupetro. The grassroots organization FECONAPIA was able to strengthen its relationship with the regional organization ORAU as a result of the participation of ORAU's president.

- With IBC support, ORAU, the most important indigenous organization at a regional level, reactivated a discussion group on the promotion and protection of indigenous peoples in voluntary isolation. The first meeting on March 13, 2008, included several representatives of governmental institutions, the National Intercultural University of the Amazon (UNIA), the Red Cross, FENACOCA, and representatives from various native communities. ORAU presented its action plan and consolidated its partnership with IBC.

Promoting Legal and Policy Reforms and Institutions Related to ICAA Activities

- Several ICAA partners have been involved in meetings regarding the implementation of the free trade agreement (FTA) between Peru and the United States. SPDA participated in several meetings, including one with the US Trade Representative for Environmental and Natural Resources, regarding the implementation of the agreement's environmental chapter and the forestry appendix. SPDA presented an aide memoire that described the institutional and legal frameworks on forestry and environmental affairs and recommended modifications to implement the FTA. Up until the time of the creation and definition of the new Ministry of the Environment, TNC's country representative with World Wildlife Fund (WWF) was actively involved in advising the government on actions to implement the forestry chapter of the FTA. TNC, WWF, and INRENA developed a proposal to advise the government on how to comply with the environmental safeguards linked to the agreement. The aim was to include indigenous rights and territorial issues, as well as regional government and civil society participation, in the recommendations to the government. Through Executive Branch approval of several laws, Peru's legal framework for forest management was subsequently modified for the FTA, and changes relate to the FTA's Implementation Phase. ICAA partners and others raised concerns that the effect of the new legislation may be to create perverse incentives that reduce forest protection and promote more rapid deforestation and forest degradation.
- SPDA is working to improve the legal and regulatory framework relevant to private and communal conservation, which includes the effective identification of market-based incentives to promote conservation and best practices for creating and applying private conservation tools. In this context, SPDA is also working closely with regional and municipal governments to propose improvements to the legal and regulatory framework to allow regional and municipal governments to work as partners as part of private and communal conservation initiatives.
- FONDAM has also provided support to producers to legalize Brazil nut and reforestation concessions. Legalization provides additional incentives for concessions to be managed sustainably and opens new options for obtaining credit and technical support. Together, strengthened producer organizations and more clearly defined rights have improved harvest systems, which should lead to higher family incomes.
- MMCC consortium member, SPDA, is also working on PLAR issues related to frontier expansion from agro-industrial activities and other causes. The executive branch of the Peruvian Government is promoting several legislative initiatives for the establishment of large plantations, intended for biofuel production. SPDA is tracking this initiative and has elaborated numerous institutional opinions that have been sent to the Congress. SPDA has also participated in several meetings regarding this initiative, including the most important, which was called in March by the prime minister with the regional government presidents in the city of Puerto Maldonado, Madre de Dios.

- SPDA is also participating actively in meetings with government officials and other civil society organizations to support the consolidation of the management structure of the newly created Ministry of Environment. Of particular interest are the consolidation of Peru's new National Protected Areas Service (Servicio Nacional de Áreas Naturales Protegidas or SERNANP) and the Vice Ministry of Development of Natural Resources which is responsible for land-use planning, placing economic values on natural resources, establishing compensation levels for natural resources affected by productive activities, and establishing procedures for payment for environmental services.

Table 5. FY 2008 ICAA Cumulative Target and Achievements for Policy Indicators by Consortia

18 policies, laws, agreements or regulations (PLARs) promoting sustainable natural resource management and conservation that are implemented as a result of United States Government assistance.	17 PLARs implemented (94% of target achieved) <i>Notes: Several PLARs were partially implemented, but had not yet achieved the level needed to claim implementation, as defined by the standardized ICAA scorecard methodology.</i>					
	IL 17	MMCC Not adopted	M-P 0	SL Not adopted	ISU Indicator dropped FY 2008	TOTAL 17
81 co-sponsored, stakeholder dialogue activities, focused on policies, laws, agreements or regulations for more sustainable Amazon resource use, initiated as a result of United States Government assistance.	98 policy-related dialogue events (121% of target achieved)					
	IL 25	MMCC 63	M-P 5	SL Not adopted	ISU 5	TOTAL 98

LEVERAGING NEW RESOURCES FOR AMAZON BASIN CONSERVATION

Despite rapidly expanding threats to biodiversity, major donor support for conservation in the overall Amazon Basin is not expected to increase dramatically in the near future. Annual funding levels for Amazon biodiversity conservation averaged about \$100 million between 1999 and 2005 and came primarily from four major international donors: USAID, the Moore Foundation, the World Bank through the Pilot Program to Conserve the Brazilian Rain Forest (PPG-7), and the Global Environment Facility.⁶ Some donor sources are expected to decline (e.g., the pilot program), but other new programs such as Brazil's Amazon Region Protected Areas Program (ARPA) are emerging. However, with the exception of the Moore Foundation, private foundation funding has been much less significant in scale and is expected to decline in FY 2009 and FY 2010 due to the impacts of the global recession on foundation endowments.

There is an urgent need to create alternative forms of funding, particularly those that can tap private sector investments and create public-private conservation alliances:

- Biodiversity trust funds, which have already been established in the major Amazon Basin countries, provide a steady source of financial support for conservation activities, particularly protected area management. These funds have tapped private sector investments in the region. For example, 12 years after its 1992 founding, the Peruvian National Trust Fund for Natural Protected Areas by the State (Fondo Nacional para Áreas Naturales Protegidas por el Estado or PROFONANPE) was managing \$93.2 million, including both endowment and other funds.

⁶ Natural Resources Information Clearinghouse. 2005. *Conserving Biodiversity in the Amazon Basin: Context and Opportunities for USAID*. Prepared for USAID, Washington D.C.

FONDAM, a member of the MMCC consortium, has disbursed over \$15 million in 273 projects involving environmental conservation, child survival, and water and environmental cleanup; approximately 60 percent of its budget is spent on environmental projects.

- In some countries, national governments have levied mitigation and compensation fees on major infrastructure projects and set up institutions to manage these fees. These fees are usually a fixed percentage of total infrastructure costs. For example, in Peru, the Andean Development Corporation ensures that these funds are used as effectively as possible.
- Much more can be done to develop public-private partnerships to leverage public sector funding for biodiversity conservation. The likeliest private sector partners are environmentally and socially responsible companies and/or their associated foundations. There are several common scenarios: 1) the private sector partner is buying what is produced by communities and individuals involved in environmental projects, 2) the private sector partner wants to sell services or products to communities and individuals involved in environmental projects, 3) the private sector partner is doing unrelated work, but partners with the environmental organization and its client communities to enhance its public image (e.g., financial or in-kind support, or building health clinics or schools in client communities), 4) environmental NGOs provide services to government or the private sector under concessions or other contractual arrangements, and 5) the private sector partner mitigates environmentally damaging activities by making payments for environmental services (e.g., carbon credits).

USAID designed ICAA so that partners would further leverage USAID resources for Amazon Basin conservation (Table 6). With a more solid and diversified financial base, ICAA partners would be able to continue and expand opportunities for implementing conservation and sustainable development activities. Each ICAA field consortium contributes matching funds, but they are also expected to report to USAID about the additional funding and resources that they have attracted for ICAA and complementary activities. These external resources include monetary and in-kind funding from international, regional, and bilateral donors; national and subnational governments; and private foundations and other endowment funds. With respect to conservation alliances, the ICAA Support Unit is building partner capacities to identify, negotiate, and implement these partnerships.

In FY 2008 the highlights of the ICAA leveraging successes included:

- Most of the ICAA market-related alliances have been developed by the SL consortium:
 - For certified cocoa, CyD in Ecuador signed agreements with two private Ecuadorian chocolate companies (i.e., Procesadora de Chocolates el Salinerito and Ecuatoriana de Chocolates). The SL consortium made a coordinated effort to engage the domestic and international markets and ensure that interest is raised in the project. In Ecuador, two major international companies, Kraft and Rausch, visited several of the project's sites and met with CyD. In Europe the Rainforest Alliance made a presentation on a panel at the conference of the World Cocoa Foundation to talk about the sustainable agriculture standard and its relationship with Kraft. The Rainforest Alliance also secured a new donation from the Goldman Fund to support cocoa work in Ecuador, signed a new partnership agreement with Mars Inc., and began conversations with a number of major traders, processors, and manufacturers.

- For its work on coffee, the SL consortium leveraged complementary funds for its regional coffee project from the Global Environment Facility–United Nations Development Programme.
- For forestry, the Rainforest Alliance signed an agreement with SumaPacha Industrial S.A., a Bolivia-based wood product producer with a 300,000-square-foot manufacturing facility in La Paz, Bolivia for high-end outdoor furniture, flooring, and decking, using traditional and nontraditional tropical hardwood species from Bolivia and Peru. SumaPacha supplies leading retailers in the United States and Europe with socially and environmentally responsible products. Its agreement with the Rainforest Alliance will help the company to meet increasing market demand and growth targets by maximizing the availability of wood coming from responsibly managed forestlands that have been certified by the Forest Stewardship Council. Specific goals include getting more than 400,000 new hectares (988,400 acres) of forestland in Bolivia and Peru to meet the council’s environmental and social standards, as well as providing market incentives for community and indigenous suppliers to participate in a sustainable forest product market chain with SumaPacha.



Alfredo Duenas (CyD) and Julie Kunen, USAID/LAC CTO, visiting San Carlos Cooperative in Rio Napo, Ecuador. *Credit:* Julie Kunen

- To promote sustainable Ecuadorian tourism by national and international visitors, the Rainforest Alliance has continued to work closely with the Ministry of Tourism of Ecuador, specifically the Joint Tourism Promotion Board of Ecuador (Fondo Mixto de Promoción Turística del Ecuador), and signed an agreement with the National Federation of Tourism Chambers (Box 11).
- ICAA partners leveraged resources from other host country partners. For indigenous organization activities in Bolivia by the MMCC consortium, PUMA’s investment of \$518,176 leveraged an additional \$103,452 from CIDOB and in-kind contributions of \$222,249 from the

BOX 11. EXPERIENCE ECUADOR!

As a result of the Rainforest Alliance’s partnership with the Joint Tourism Promotion Board of Ecuador, the latter organization included detailed profiles of many of the Rainforest Alliance’s pilot operations in sustainable tourism in their “Travel Planner 2007.” This 11-page promotional booklet was translated into six different languages and distributed to tourism wholesalers and outfitters around the world. This collaboration has also resulted in the inclusion of the Rainforest Alliance logo in the multimedia marketing campaign of the Joint Tourism Promotion Board (i.e., www.purecuador.com). Visitors to this interactive site will find information about the environmental and social benefits of sustainable tourism, as well as links to Ecuadorian tourism operations which are implementing the Rainforest Alliance’s best management practices.

local communities themselves. The total value of the investment was \$843,877. It will be used for an Indigenous Territorial Management Initiative (Gestión Territorial Indígena or GTI), which is part of a strategic partnership that is implementing activities under the framework of three TCO management plans.

- TNC in Ecuador is developing proposals to government agencies to capitalize an endowment fund, including government sources involved in ICAA activities, such as the Ministry of Social Movements and Indigenous Affairs.

BOX 12. ILLEGAL LOGGING HOTSPOT CONVERTED TO INNOVATIVE PUBLIC-PRIVATE CONSERVATION INITIATIVE

Located in the heart of Peru's Madre de Dios Department and populated by hundreds of illegal logging camps, hunters, and gold miners, the Los Amigos Conservation Concession was established by the Peruvian Government in 2001. This 145,000-hectare area of lowland Amazonian forest was strategically located between the world-famous Manu National Park and the Tambopata National Reserve. It is globally recognized as a keystone protected area in the Vilcabamba-Amboró Conservation Corridor, which has the highest recorded biodiversity on Earth, including harpy eagles, jaguars, tapirs, and giant river otters. Through a special resolution of the Peruvian Park Service (No. 154-2001-INRENA) in July 2001, the Peruvian government awarded 40-year concession management rights to ACCA, which is ACA's Peruvian sister NGO.

Within two short years, this hotspot of illegal activity was converted into a model conservation area. How did this happen? The biggest challenge was to inform the mahogany and cedar loggers, unregulated bushmeat hunters, and informal, environmentally destructive gold miners that they could no longer go about their business as usual. A tiny, but persistent, team of 10 ACCA park guards, who were armed with little more than courage and the support of both regional and national governments, succeeded in escorting all of the informal loggers from the new concession. ACCA had trained the guards in conservation biology, biological monitoring, community relations, and wilderness first aid. According to Jerry Martinez, now the chief park guard, "Death threats were common, and we were shot at by the loggers a couple of times." He believes that their work has succeeded "...because it combines strict control with social work that benefits local communities."

Since 2001 ACCA's conservation strategy has paid remarkable dividends. As part of their regular patrols and monitoring, ACCA park guards have accumulated a huge quantitative dataset, which shows how large vertebrate populations have rebounded within the concession. To get the word out about this win-win solution for communities and biodiversity, ACCA holds regular courses and manages a year-round interpretative center in the area. With ICAA funding, they are updating and improving the concession's management plan, so that there are greater social benefits to local communities and legal timber concessions in the vicinity of the conservation concession. In addition, ACA aims to develop and market environmental services from the concession, including avoided deforestation credits on the informal world carbon market (see Box 13). ACCA's public-private partnership success story in Los Amigos has sparked a surge in new conservation concessions in Peru and has led to replication in other countries in Latin America (Brazil, Bolivia, Ecuador, and Colombia) and governments as far away as China have visited Los Amigos to learn about its innovations.

- Concession agreements with government are another effective conservation financing strategy and enable organizations to attract additional external funding. Through a special resolution of the Peruvian Park Service (No. 154-2001-INRENA), in July 2001, the Peruvian Government awarded 40-year concession management rights to ACA's small Peruvian sister NGO, the Amazon Conservation Association (Asociación para la Conservación de la Cuenca Amazónica or ACCA) (Box 12).
- ICAA partners build client organization capacity to secure their own funding. In Ecuador, the IL consortium support and organizational capacity building for FEINCE has helped it to develop a solid technical-finance team that is fully able to formulate its own proposals and projects for donors. FEINCE has already gained USAID Economic Growth, Agriculture, and Trade (EGAT) Bureau funding from the WCS cooperative agreement and from CARE International. From the former, funding and technical support contributes to operational expenses and enables work on territorial consolidation and subsistence projects; CARE funding covers capacity-building activities for indigenous rights advocacy.
- Some of the ICAA partners are moving ahead with carbon markets as a new source of funding for conservation and development activities. For example, MMCC consortium partner ACA is promoting the use of carbon offset credits that are derived from Reduced Emissions from Deforestation and Degradation (REDD) in Peru. ACA is currently focusing on developing a REDD project for the Los Amigos Conservation Concession in Madre de Dios (Box 13).



Alto Madre de Dios River near Los Amigos Biological Station. *Credit:* Amazon Conservation Association

BOX 13. GETTING REDD-READY IN PERU

Located near the soon-to-be-paved Interoceanic Highway in Peru, the Los Amigos Conservation Concession in Madre de Dios Department encompasses 146,000 hectares of government land. ACCA, through its Peruvian entity, ACA, manages this area under contract with the Peruvian Government. Without sustainable funding for protection, the environmental community expects deforestation rates in and near the concession to soar once the Interoceanic Highway is paved.

ACA views carbon offset credits, which are derived from REDD, as a means of generating funds for conservation and development activities and is working on certification. Although REDD projects are not certifiable under the Clean Development Mechanism of the Kyoto Protocol, there are buyers who will accept projects that are certified under two other standards (i.e., the Voluntary Carbon Standard or VCS, and the Climate, Community, and Biodiversity Alliance or CCBA). A newer standard, VCS is designed to ensure long-term offsets from land use projects. The CCBA standards focus on ensuring that projects will provide additional measurable benefits to local communities and to the biodiversity of the project area.

ACCA is leveraging resources and partners for certification. It is working with Winrock International to calculate the amount of standing carbon stocks in the concession, establish a baseline deforestation rate for the Department of Madre de Dios, and estimate the emissions avoided by protecting the concession. Although Peru's forestry law allows for Payment for Environmental Services schemes, ACA and SPDA are coordinating with INRENA on an appropriate regulatory framework to implement these new activities and establish appropriate safeguards.

Table 6. FY 2008 ICAA Cumulative Target and Achievements for Leveraged Amounts by Consortia (US \$)

Cumulative Target: US \$1,718,487 in Non-ICAA funds leveraged for Amazon Basin activities of the ICAA partners.	Cumulative Result: \$1,708,977 (99% of target achieved)					
	<i>Notes: Significant progress toward this target is foreseen for years 3-5 of the program with increased conservation alliances.</i>					
	IL \$619,123	MMCC \$393,354	M-P Not adopted	SL \$696,500	ISU Not adopted	TOTAL \$1,708,977

LESSONS LEARNED

Leveraging and other shared targets may need to be revisited in light of the global recession. Both in the United States and elsewhere, government, private foundations, and private corporations are feeling the impacts of the recession. Foundations in particular have shrinking endowments and are already cutting back on their grant making. While this tighter funding climate may create greater incentives for public-private partnerships and alliances in support of conservation objectives, it is not realistic to expect any significant new expansion of conservation funding in the next year or two. In addition, an overall decline in funding may mean that the ICAA partners will find it more difficult to meet shared ICAA targets for improved land management and policy implementation, because a key element of both of these indicators involves securing funds for land management plans and implementation of policies, laws, regulations, and agreements. Furthermore, as costs for fuel increase, both road and air travel increase in expense and reduce the amount of funding available for field activities and networking.

International, national, and sub-national politics can have a significant impact on local-level ICAA progress. Instability at the local and sub-national level has a ripple effect on the ability of ICAA partners to conduct normal business and field operations, the ability of ICAA-supported producers to get their goods to market, and the ability of sustainable tourism operators to interest domestic and international tourists. For example, the instability in Madre de Dios in Peru led to changes in leadership of the university and government partners of the M-P consortium. Anti-American and anti-NGO rhetoric at the national level in Bolivia makes local government counterparts less willing to collaborate with NGOs on conservation activities. Lessons learned during FY 2008 suggest that the ICAA partners need to maintain flexibility and routinely inform and actively engage key government stakeholders.

Creative strategies are needed to overcome the difficulties of providing training and technical assistance to clients, both indigenous and non-indigenous, in remote and impoverished areas. Local partner institutions are extremely weak. The transport and communications infrastructure is either very poor or completely absent. Many rural clients do not have citizenship documents, such as birth certificates and identity cards. Stakeholders and clients demand that conservation activities include income alternatives to reduce poverty. In border areas, such as the northern Amazon region in Ecuador, Colombian guerrillas have created security problems for local residents and a potential tourism industry. Community tourism operators have offered low-quality products and have not always been interested in sustainable tourism practices. Both achieving and maintaining certification for cacao, coffee, and timber has been difficult. It has been challenging to find business, commercial, and institutional partners who are willing to work in remote areas. In addition, remote rural producers, in groups or on their own, have needed significant levels of assistance and over longer periods than expected to build their market-related capacities.

The rapid pace of infrastructure development has meant that some of the ICAA partners chose to respond to emerging threats that were not anticipated by their consortium's work plan. For example, in the Amazon region including Madre de Dios, Peru, and Pando, Bolivia, where the M-P consortium is working, there are new road-paving plans for Pando, Bolivia, and increased discussion of environmental management by state officials in Madre de Dios, Peru. The consortium

must find the right balance between implementing preplanned activities and being responsive to emerging opportunities and threats.

Consortium governance, management, and relationship building continue to require significant time and resources. While most of the consortia have resolved formal working and financial relationships with each other, those consortia affected by the departure of the Brazilian partners needed to reallocate consortia responsibilities for finances and performance monitoring. They have also found it necessary re-establish partner relationships and trust when there has been significant turnover of organizational leadership. In the short run, these efforts impeded the achievement of some program results; from an intermediate and long-term perspective, these relationships will be stronger and will lead to improved outcomes.

Additional technical assistance is needed from ISU to ensure complete consistent shared performance reporting for ICAA. Within and across the consortia, inconsistencies in shared indicator reporting abound. While the staff responsible for the PMP in the lead institutions of the consortia generally understand what is required, it is not clear that this is equally true for all of the members of each consortium. Documentation of results, particularly for hectares under improved management and policy implementation is not always sufficient. While ISU has been able to provide capacity building via training and technical assistance at the partners meetings, it is clear that further technical assistance on performance monitoring for each consortium would be highly beneficial.

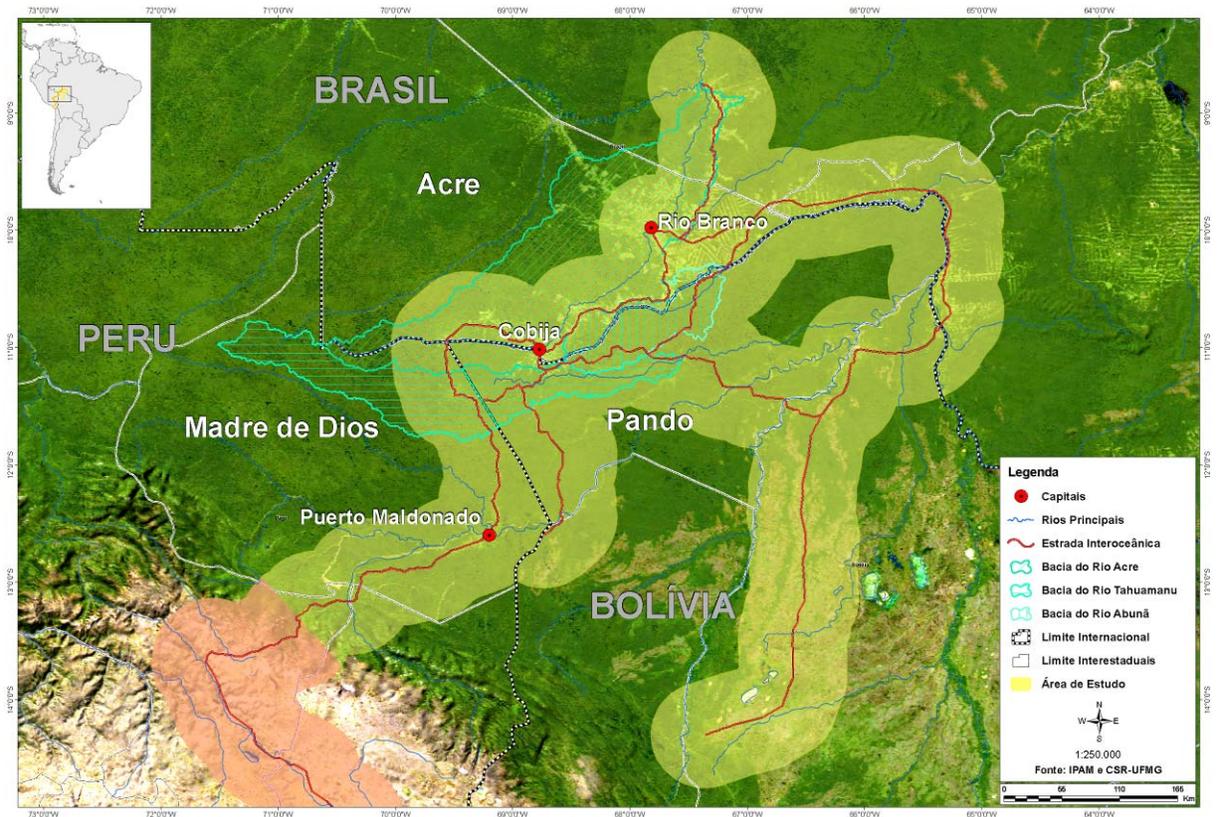
CONCLUSION

FY 2008 was an exciting and productive period for the five ICAA consortia. More than 6,000 people participated in ICAA-sponsored training. More than 3,500,000 hectares were under improved management. Nearly 100 policy dialogue events were held in the Andean Amazon region to address both threats and opportunities for conservation and sustainable development; one dozen policies, laws, agreements, and regulations were well under way in terms of implementation. ICAA leveraged approximately \$1.5 million for the ICAA field partners.

The commitment of the ICAA partners to their ambitious work plans was exemplary, despite significant challenges. The ICAA partners patiently addressed complex governance issues within and beyond their consortia. The strength of the ICAA partner organizations and their commitment to conservation were key components of their success during FY 2008. Synergies developed during the ICAA Design Phase were deepened and expanded. At the partner wide meetings in May in Quito, it was clear that the consortia had solidified and that ICAA partners were now seeing themselves as part of a larger, regional force for positive change in the Andean Amazon.

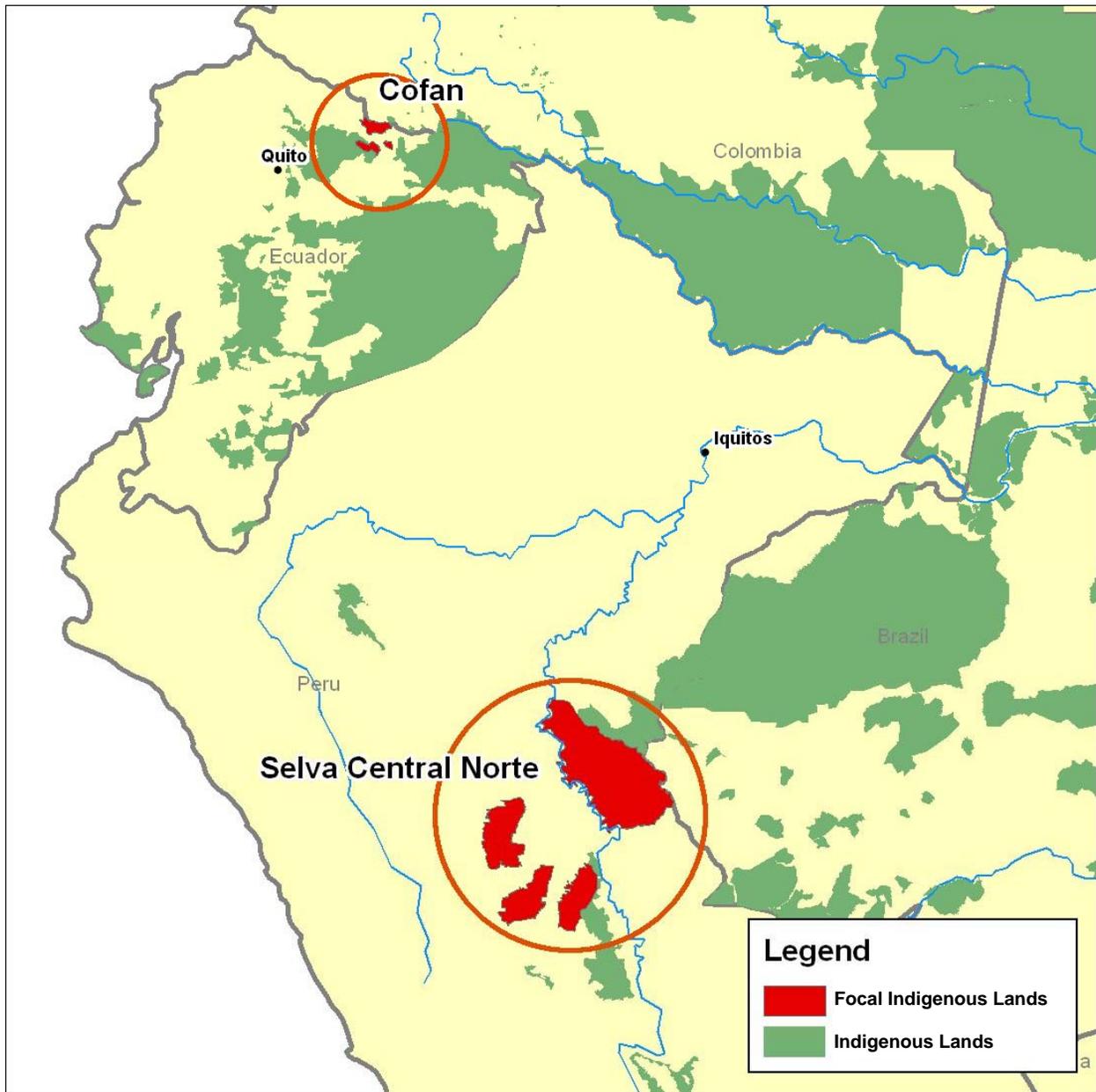
ANNEX I. MAPS OF CONSORTIA WORK AREAS

I. Madre de Dios-Pando Consortium (Bolivia, Peru)



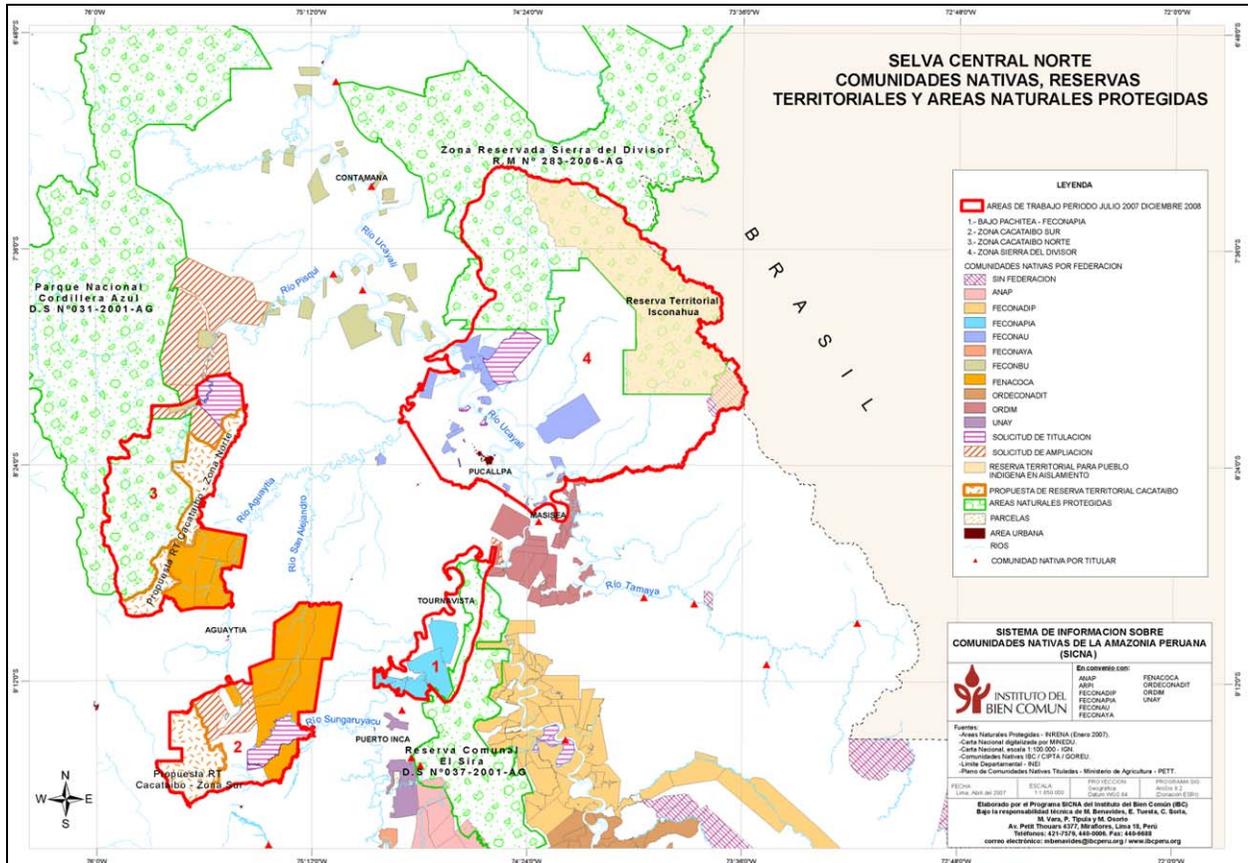
2. Indigenous Landscapes Consortium (Ecuador, Peru)

Below is a regional map of Ecuador and Peru highlighting in red the four target areas in the northern Selva Central mosaic and the Cofán territory in Ecuador.



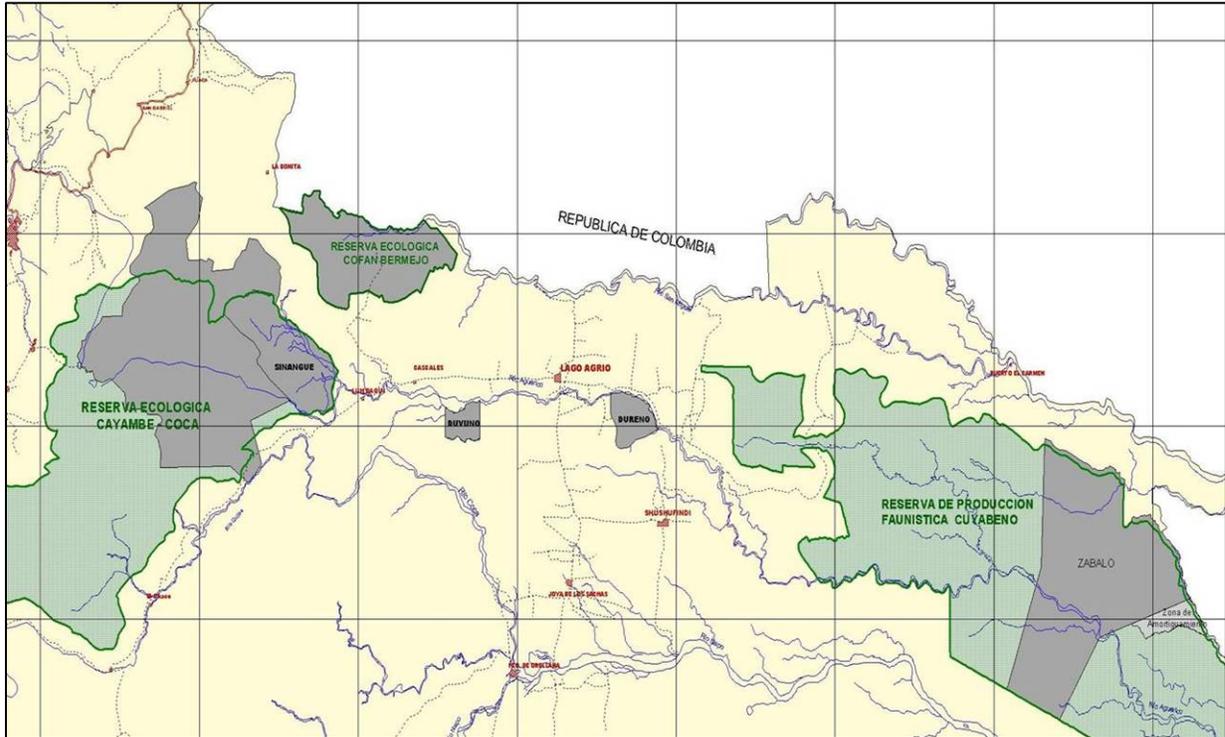
2a. Indigenous Landscapes Consortium (Peru)

This map details Central Peru where the Instituto del Bien Comun is working with native indigenous communities.



2b. Indigenous Landscapes Consortium (Ecuador)

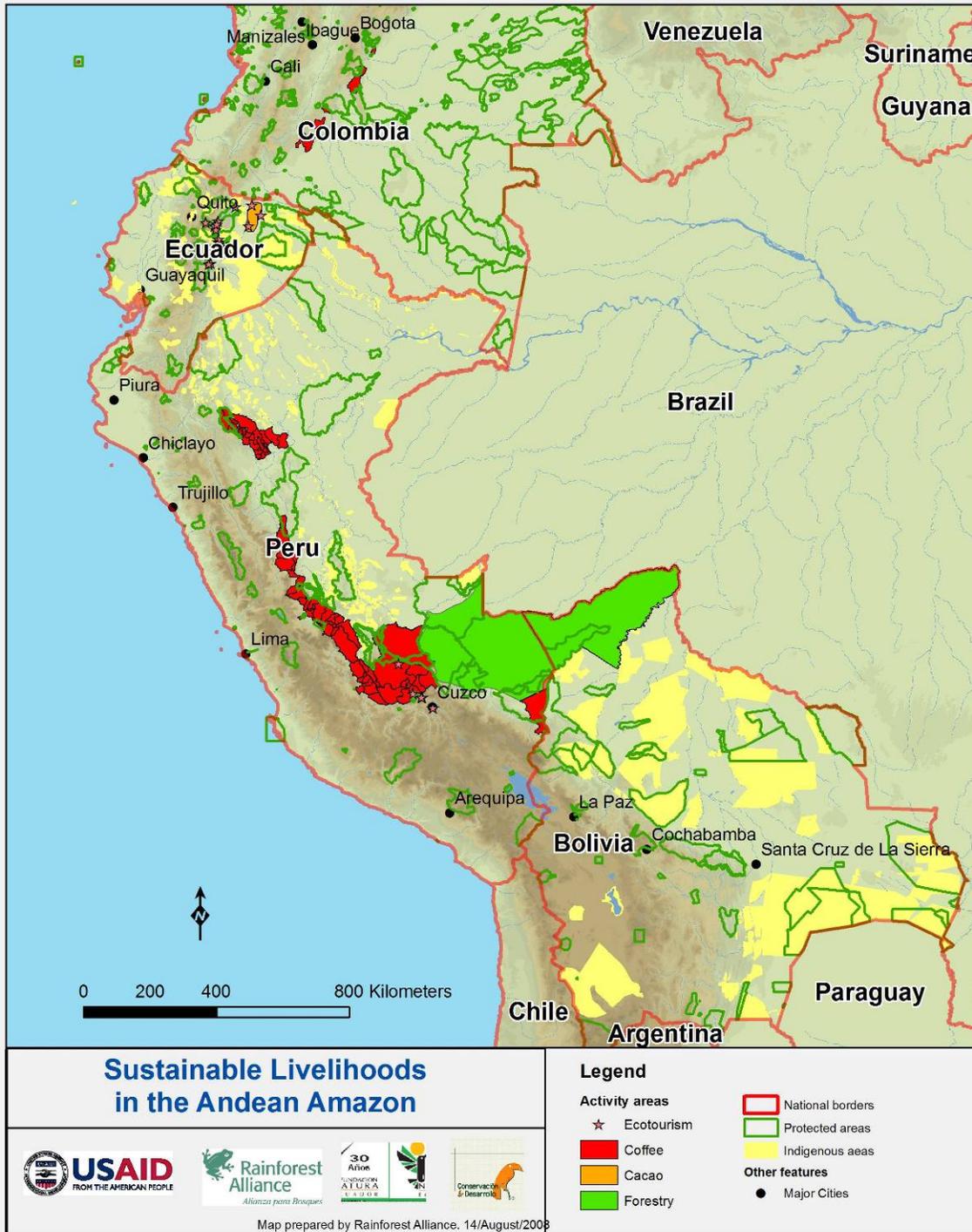
Below is a detailed map showing Cofán territory within and adjacent to national protected areas in Sucumbios Province, Ecuador.



3. Madidi-Manu Conservation Complex Consortium (Bolivia, Peru)



4. Sustainable Livelihoods Consortium (Bolivia, Colombia, Ecuador, Peru)



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