

The Ecuadorian Awa Territory: Protecting Habitat Biodiversity

Project period: 1 October 2001-30 September 2004
Period covered by report: **April - June 2004**
Project executors: WWF Colombia
Altrópico Foundation
Ecuadorian Federation of Awa Centers (FCAE, its Spanish acronym)
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Date of Report: **July 30 2004**

A. Project objectives (in this case, specific objectives of the activities for which an extension was requested)¹

Expected outcomes to September 30 of 2004:

1. The project for establishing a Center for Training, Storage and Transformation of Forestry Products based on the recommendations of the study of social, environmental and economic feasibility being implemented.
2. Legal constitution of the Center for Training, Storage and Transformation of Forestry Products in San Lorenzo.
3. Buildings and grounds renewed and adapted for operating the Forestry Center.
4. The sawmill and accessories installed and ready to use.
5. Personnel of the Forestry Center trained in re-sawing the lumber.

B. Summary of the Status of Project Activities and Progress

Although during this period considerable advances were made in the development of many of the planned activities in all the expected outputs (see details in other section of this report), an unexpected event took place that has to be considered seriously to conclude the project during the coming period. FCAE leaders were confident that the Statutes of the Federation were going to be change during the Assembly held in June; but they were not: the Statues in force established that they can only be change during a Congress; a Congress is a general meeting that has to be attended by more than five hundred people from all of the 22 Awa Centres; an Assembly, as the extraordinary one that was held in June with the main intention to change Statutes, is usually

¹The Coordination and Monitoring Committee of the “Protecting the Habitat” Project in the Awa Territory of Ecuador? which was signed in Quito on January 28, 2004, with the participation of the delegates of FCAE, Altrópico, WWF and USAID? decided to dedicate the remaining resources and the time granted by USAID for extending the project to 30 September 2004. This time extension will be used to develop the activities necessary for accomplishing five expected outcomes around the first phase of the establishment of a Center for Training, Storage and Transformation of Forestry Products in San Lorenzo for the processing and commercialization of lumber coming from the four Awa centers (Mataje, Guadualito, Balsareño and Pambilar) participating in the FCAE Forestry Management Subprogram.

attended by a maximum of two hundred people (two delegates from each of the Awa Centres). So, the Statutes in force couldn't be change and as a consequence the legal establishment of the De Facto Partnership has to be postponed, and one of the implications of this delay is the difficult to continue with the physical implementation of the infrastructure and the installation of the machinery because someone has to manage it as an enterprise, and that cannot be the FCAE.

The Project Monitoring Committee meeting held in May 4th 2004 analyzed how to address the delay in the timetable and the difficulties set forth by the FCAE in the last quarterly report. The next Committee meeting will decide how to address these new difficulties in order to finalize the project properly.

C. Specific products obtained during the implementation of the project

Three main products were obtained during this period:

1. Legal figure for the timber enterprise: The finalization of the study about the legal, social and political implications of the different options that the Ecuadorian law offers to the FCAE to constitute the legal figure for the enterprise. The conclusion is that the best option is the figure of "Sociedad de Hecho" (*De Facto* Partnership). An essential condition that the FCAE has to fulfill to conform the De facto Partnership is to change the Legal Statutes, because they prevent the FCAE to develop any lucrative activity.

2. FCAE Statutes change: Preparation of the project to change some points of the Legal Statutes of the FCAE, in a way that permits the FCAE to develop lucrative activities and so, to conform the De Facto Partnership. The new statutes project was prepared to be approved during the FCAE General Leaders Assembly in June, but the Statutes established that these changes can only be made in a Congress (a biggest meeting that an Assembly). FCAE is planning to hold this Congress in December 2004.

3. Legal status of the property for the Forestry Center in San Lorenzo. During this period notable advances were made to get the Property Title for the FCAE over the property situated in the Nueva Esperanza District, "The Olive Trees" Street.

D. State of progress of goals and activities planned for the project in this quarter:

Expected outcomes to Sept. 30, 2004	Activities planned for the entire extension period (Jan. –Sept. 2004)	Activities carried out in this quarter (April – June)	Observations
1. Project ready for implementation	1.1 Planning of the project – February	<ul style="list-style-type: none"> ▪ Activity completed during the previous quarter (January – March). 	
2. Company for Storing, Transforming and Training of Forestry Products legally constituted	<p>2.1 Analysis of the different legal options to conform the Awa Company.</p> <p>2.2 Initiate the process to conform the Awa Company accordingly with the legal figure that has been determined.</p>	<p>2.1 FCAE Leaders, technicians and the lawyer analyzed and decided the best option to conform the Awa Forest Company. They decided that the De Facto Partnership is the best legal option because it guarantees the Federation control and autonomy to manage the forestry productive activities.</p> <p>2.2 The De Facto Partnership Contract was written by the Lawyer and is ready to socialize with the communities of the involved Awa Centres.</p>	The De Facto Partnership is going to be established between the FCAE and the Awa Centres of Mataje, La Unión, Pambilar, and Balsareño.
	2.3 To get permission from the FCAE Government Council to change the Federation Statutes to fit them with the De Facto Partnership figure.	2.3 The FCAE President convoked the Government Council to propose the Statutes reformulation; the Council gave the permission to change the Federation Statutes.	
	2.4 To contract a Lawyer to make the project of Statutes reform.	2.4 A convening was made; three curricula were examined and the lawyer was selected. The contract between the new Lawyer and the FCAE was signed.	Contracted Lawyer, Napo León Castillo.
	2.5 To elaborate the new Statutes.	2.5 In 30 days after he was contracted, the Lawyer delivered the new Statutes project.	The Lawyer was contracted to do other tasks: the FCAE General and Specific internal Regulations. He deliver those two products in time.
	2.6 To analyze the new Statutes project with the Government Council, FCAE Leaders, technicians and the lawyer.	2.6 A meeting to analyze the Statutes project was held. After some adjustments the participants in the meeting approved the project.	The participants in this meeting agree to present the new Statutes proposal to the extraordinary Assembly in June.

Expected outcomes to Sept. 30, 2004	Activities planned for the entire extension period (Jan. –Sept. 2004)	Activities carried out in this quarter (April – June)	Observations
Continue... Company for Storing, Transforming and Training of Forestry Products legally constituted	2.7 To approve the new Statutes and General Regulations during the FCAE Extraordinary Assembly in June, with the participation of delegates from all the 22 Awa Centres.	2.7. The FCAE Extraordinary Assembly took place in Baboso, one of the Awa Centres that conform the Federation. 120 people from 20 Centres attended the Assembly. The Statutes couldn't be reform because the Statutes in force established that such a reform has to be done in a Congress: a big meeting with the participation of 572 people from all the Awa Centres.	The Assembly determined to call for a Congress for December 2004 and examine the new proposed Statutes. During the Assembly the participants approved the General and Specific Regulations.
	2.8 New Statutes legalized by the Social Ministry.	These activities are subject to the Statutes reform by the Awa Congress in December 2004.	A contingency plan has to be design and implemented to continue with the project of establishing a Center for Training, Storage and Transformation of Forestry Products in San Lorenzo in the mean time.
	2.9 De Facto Partnership contract socialized with the involved Awa Centres. (Mataje, Balsareño, Pambilar, y La Unión).		
	2.10 De Facto Partnership contract legalized.		
3. Legal Title of Property of the land that is in possession of FCAE in Nueva Esperanza District in San Lorenzo.	3.1 To present the legal claim to the Civil Judge in Limones, Esmeraldas Province.	3.1 Finished.	When FCAE lawyer was proceeding with the established legal steps, the Mayor of San Lorenzo announced that there was a Municipal Resolution recognizing the FCAE the Legal property of the Nueva Esperanza land. This resolution exists since 1988. This implies that the legal claim presented to the Civil Judge is not necessary.
	3.2 To clarify the claim and do the citation of presumed proprietaries.	3.2 Finished.	
	3.3 To proceed with the established steps ordered by Law: citation of municipal "personeros" and do three press releases in 45 days.	3.3 Finished.	

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4. The necessary adaptations in the land and the buildings have been done in order to operate the company.	4.1 To design the land and buildings adaptations and constructions.	4.1 Finished. A Civil Engineer was contracted.	Plans and budget were design, they are ready to continue.
	4.2 To initiate the planned works in the FCAE property: remove vegetation cover, to construct a fence around the property, construct sheds; prepare storage and lumber drying yard; carry out electrical installations, between others.	4.2 Postponed	FCAE is waiting to resolve the issue about the legal figure (De Facto Partnership) to administrate the timber Center in San Lorenzo. An alternative way will be seek in order of carry on this activity.
5. Machinery installed and ready for use.	5.1 Acquisition and importation of a Woodmizer sawmill (with support of USAID Ecuador)	5.1 Postponed. Since the last quarter, bids for the acquisition of the machines and equipment updated	
	5.2 Installation of Woodmizer sawmill (by technician of Aristizabal and Jinete LTDA., representative of Woodmizer in Colombia)	5.2 Postponed	
	5.3 Acquisition and installation of an Ecuatran transformer with the assistance of Emelnorte S.A	5.3 Postponed	
	5.4 To purchase the personal safety equipment.	5.4 Postponed	
	5.5 To purchase the necessary office equipment.	5.5 A desk was purchase to be used at the office of FCAE in San Lorenzo.	
6. Center personnel trained in the re-sawing of the lumber and other aspects related to the appropriate administration of the planned Center in San Lorenzo.	6.1 Training in the use and maintenance of the sawmill, the sharpening of the bands, design and manufacture of products, personal safety.	6.1 With support of Jatun Sacha five persons from La Union, Mataje, Balsareño, Pambilar y Baboso, visited CONCERTEC installations and participated in a training workshop about timber quality, appropriate preparation of timber for floors and other commercial products.	

D. Problems encountered

Legal constitution of the corporation and the Forestry Center:

An essential condition that the FCAE has to fulfill to conform the De Facto Partnership is to change the Legal Statutes, because they prevent the FCAE to develop any lucrative activity.

During the extraordinary Assembly held in Baboso at the end of June, the Government Council of FCAE presented the project of Statutes reform to the 120 delegates from 20 Awa Centers. The delegates did not approve the reform because the legal procedure established by the Statutes in force says that such a reform can only be made in a Congress: meeting attends by 572 official delegates. The Assembly established to convoke a Congress for December 2004, but it is an expensive meeting and the FCAE doesn't have enough resources to bring all delegates.

The legal establishment of the De Facto Partnership has to be postponed, and one of the implications of this delay is the difficult to continue with the physical implementation of the infrastructure and the installation of the machinery because someone has to manage it as an enterprise, and that cannot be the FCAE.

The next Project Monitoring Committee meeting will decide how to address these new difficulties in order to finalize the project properly.