

# INTERNATIONAL TROPICAL TIMBER ORGANIZATION

## ITTO

### PRE-PROJECT DOCUMENT

<b>TITLE:</b>	FOREST PROMOTION AND DEVELOPMENT BY NATIVE COMMUNITIES IN PERU
<b>SERIAL NUMBER:</b>	PPD 129/06 Rev.1 (F)
<b>COMMITTEE:</b>	REFORESTATION AND FOREST MANAGEMENT
<b>SUBMITTED BY:</b>	GOVERNMENT OF PERU
<b>ORIGINAL LANGUAGE:</b>	SPANISH

#### SUMMARY

The objective of this proposal is the participatory formulation of a project aimed at community forest management development in indigenous peoples' territories of the Peruvian Amazon Region, which are legally designated as "native communities". The geographic area under native community ownership accounts for 17% of the total forest area in the country; hence the importance of these territories for the promotion of sustainable forest management. These areas are currently affected by the impacts of illegal timber logging and trade and other negative factors that seriously threaten not only the conservation of the potential of these forest resources but also the survival of these indigenous peoples, who are amongst the poorest and most vulnerable communities in the country.

This proposal envisages the implementation of a situational analysis and field visits to the regions of Ucayaly, Huánuco, Loreto, Junín and Pasco, to directly assess the status of forest management by native communities in Peru. On the basis of the information collected, a development project proposal will be formulated and subsequently presented and adjusted in work sessions with target groups with a view to developing a viable and participatory proposal comprising key strategies to promote and implement forest management practices in accordance with sustainability principles in community areas. The proposal is expected to be submitted to the ITTO for financing. This will directly contribute to the achievement of Objective 2000 with the direct participation of local producers.

This proposal stems from a coordination of efforts by the Peruvian Government and the Association for Integrated Research and Development (AIDER). This Association has relevant experience in forest management by indigenous communities as, through the provision of technical assistance and training to five native communities in the Region of Ucayaly, obtained the first Voluntary Forest Certification for timber production in Peru.

**EXECUTING AGENCY:** ASSOCIATION FOR INTEGRATED RESEARCH AND DEVELOPMENT – AIDER

**COOPERATING GOVERNMENTS:** --

**DURATION:** 6 MONTHS

**APPROXIMATE STARTING DATE:** UPON APPROVAL

<b>BUDGET AND PROPOSED SOURCES OF FINANCE:</b>	<b>Source</b>	<b>Contribution in US\$</b>
	<b>ITTO</b>	<b>56,538</b>
	AIDER	26,164
	<b>TOTAL</b>	<b>82,702</b>

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## **PART I: CONTEXT**

### **1. Origin**

This proposal is based on the important experience acquired by the Jemabaon Nii Project (Managing Community Forests to Alleviate Poverty), implemented from 2000 to 2005 by the Association for Integrated Research and Development (Asociación para la Investigación y el Desarrollo Integral – AIDER) with technical assistance from the Dutch Service for Development Assistance (SNV) and the support of AIDSEP Regional Organization of Ucayali (ORAU), and financed by the Embassy of the Kingdom of the Netherlands.

Within the framework of the above project, the country's first Voluntary Forest Certification for timber production was obtained under the Principles and Criteria of the Forest Stewardship Council (FSC). This certified operation was launched in five native communities of the Shipibo-Konibo ethnic group (Calleria, Puerto Belén, Pueblo Nuevo, Curiaca and Preferida de Charasmaná) and is currently monitored through the Forest Stewardship mechanism under AIDER's responsibility. This experience resulted in the development and implementation of a community forest management proposal based on an ecosystem approach with a view to maximising the benefits derived from forest resource harvesting, promoting forest conservation, and alleviating poverty among the indigenous communities living in these areas.

In this context, it is considered necessary to promote forest management in a larger number of forest areas under the ownership of Amazon indigenous peoples. To this end, it will be necessary to develop local capacities for the management of forest resources, thus facilitating greater compliance with the forest legislation, increased income derived from the harvesting of resources, improved forest practices (through reduced impact logging techniques) and curbing of illegal logging and trade, drug trafficking and other predatory activities destroying the resources in these Amazon areas.

### **2. Sectoral policies**

In the past, the Peruvian State regarded the Amazon region as an empty, unproductive area that should be occupied through migration and colonisation as a possible solution to the social problems affecting other regions. In 1945, a process known as “conquest of the Amazon region by the Peruvian people” was launched. Subsequently, this erroneous vision began to change and during 1988-2000, the National Forestry Action Plan was developed, with an emphasis on reversing the deforestation process and ensuring greater participation of the forest sector in the search for a solution to the problems of rural communities.

In 1999, the project “Support to the National Forest Development Strategy” was implemented with international support. This strategy was the result of a national sectoral agreement effort and has served as a plan to guide forest development in Peru, both at the government level and at the private sector and civil society levels. The National Forest Development Strategy has the following **vision** for 2022: *“As a result of a forest awareness and culture process, Peru will maintain and manage its forests, increase its forest plantations and ensure the conservation of ecosystems that generate wealth and well-being on an equitable and ongoing basis and in harmony with the environment”*.

Since 2000, the government has enforced the new Forestry and Wildlife Law (Act No. 27308), which promotes the implementation of activities geared to the management of forest areas in the country, promotion of multiple use of forests, fostering of sustainable forest management, etc.

In this context, the implementation of forest regulations has led to the ongoing forest concessions process; however, for native communities, another process has been launched considering the special characteristics of each case for the development of specific terms of reference and forest management plans for community forests.

At the national and regional levels, forest dialogue and consensus roundtables have been implemented since 2001. These roundtables have served as collective participation mechanisms, facilitating the involvement of government organisations, the production sector, forest professional/trade associations and non-government organisations.

### **3. Programmes and operational activities**

It should be pointed out that up to the year 2000, the ITTO had provided support to our country through projects that were mostly focused on forest research, the introduction of new species into the market, and the development of forest management models for timber and non timber products. Since the year 2000, after the updating of the Peruvian forest legislation, the Organization's support has focused on projects aimed at database structuring and updating, forest management, training and technical assistance to stakeholders, among other issues, as described below.

The forest legislation currently in force in Peru is the Forestry and Wildlife Law – Act No. 27308. A key element since 2002 has been the forest concessions process, which has had the support and participation of international cooperation agencies. In this context, ITTO financed the project on "Establishment and Operation of a Forest Strategic Information Centre", which was aimed at designing and implementing this centre as a starting point in the reference information process. This has enabled the country to make progress in the forest management process. There are currently 7.5 million hectares of permanent production forests allocated to concessionaires through public tender.

Furthermore, INRENA, under government instructions, has been implementing a project on "Indigenous Peoples' Participation in the Management of Protected Areas (PIMA), which is aimed at increasing local participation in the management of conservation areas. This project has been allocated US\$13.1 million by the Global Environment Facility – GEF of the United Nations Environment Programme, with US\$3.1 million being funded by the Peruvian Government's counterpart contribution.

By the end of 2001, the World Wide Fund for Nature (WWF) and INRENA signed an "Interinstitutional Cooperation Agreement for the Provision of Technical Assistance" in order to contribute to the implementation of the new forest legislation, by providing technical and organizational assistance to small forest producers to enable them to access and manage permanent production forest harvesting units within the new legal framework.

Since April 2003, the project on "Integrated Evaluation and Strategy for the Sustainable Management of Secondary Forests in the Central Forest Region of Peru" has been implemented with ITTO support. This project is aimed at curbing deforestation through the improved management of secondary forest areas. In addition, a project on "Promotion and Transfer of Knowledge on Sustainable Forest Management Models to Timber Producers" has been implemented in the country since October 2003 also with ITTO support. This project is geared to disseminating forest management techniques to various forest sector stakeholders in compliance with ITTO principles and guidelines.

By the end of 2001, an implementation agreement was signed for the project "Sustainable Use and Reforestation of Amazon Forests by Indigenous Communities". The main objective of this project is to sustainably use timber and non-timber trees to arrest and reverse the degradation of tropical forests in indigenous territories of the Amazon Region. This project was implemented by EDMAR with financial support from ITTO.

If implemented, this proposal would specifically support the process of forest management in indigenous territories. These areas are extremely vulnerable to the devastating effects of illegal timber logging and trade and should be of high priority for the sector in the management of timber and non-timber forest products, as the implementation of the new forest legislation has focused on the promotion of forest management but insufficient support has been provided in this context to the native communities.

## **PART II: THE PRE-PROJECT**

### **1. Pre-project objectives**

#### **1.1 Development objective**

Contribute to forest management in the country and to the development of Amazon indigenous peoples by outlining and implementing sustainable forest management strategies for the territories legally occupied by these communities.

#### **1.2 Specific objective**

Design, through a participatory approach, a sustainable forest management promotion project for the native communities of the Peruvian Amazon Region.

### **2. Justification**

#### **2.1 Problem to be addressed**

Despite the strategic importance of the Amazon Region in maintaining the world's ecological balance, it is a well-known fact world wide that it is currently in a situation of extreme vulnerability. Peru is an Amazon country and most of its national territory can be classified as being part of the Amazon ecosystem, which has one of the richest biodiversities in the world, but which, at the same time, has the most precarious living standards in the country.

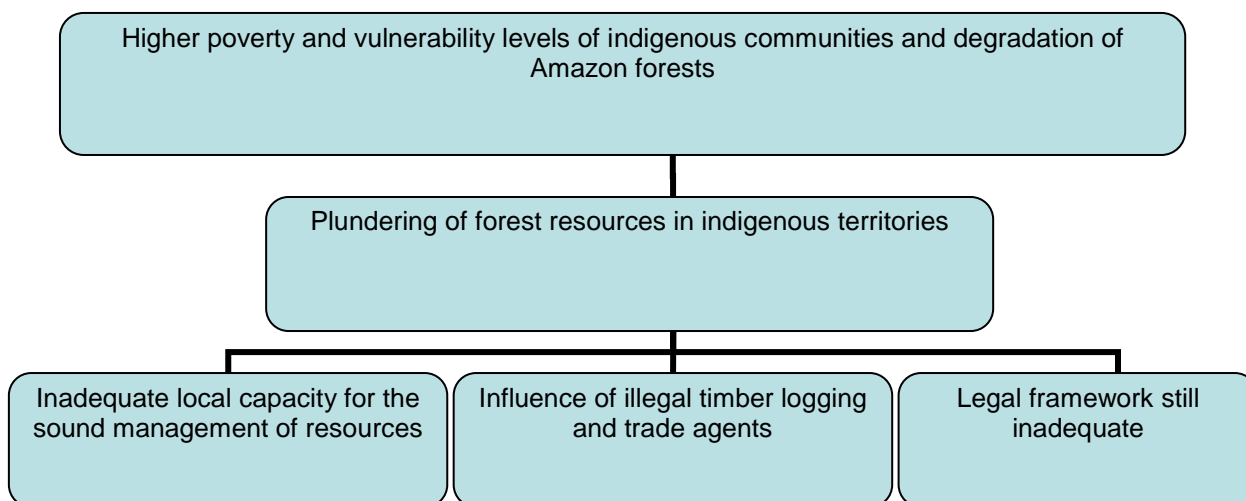
The Amazonian indigenous communities in the country belong to 62 different ethnic groups and under the general heading of native communities (NC), the Peruvian State has recognised the territorial spaces that they legally occupy. The Peruvian Amazon Region contains over 74 million ha of natural forests. There are 1,354 communities with land title in the region, with a population of over 300,000, who have almost 15 million hectares of forest under their management. This represents double the area which is currently under forest concessions (7.4 million hectares).

The main problem that has been identified is that the forest resources in these community-held lands are being gradually degraded as a result of outside intervention, given that the local indigenous groups do not have sufficient capacity to manage these lands in the current context of globalisation and market-driven economy. In addition, the State and the civil society have not provided strong support to these stakeholders. In view of the above, and as a result of the intervention of outside agents promoting illegal timber logging and trade, poverty rates in these indigenous communities are gradually increasing, thus leading to increased forest degradation.

In this context, it is imperative to undertake a process of promotion and training, aimed at strengthening local skills and capacities for the sustainable management of community forests. This should be undertaken within the framework of the implementation of the new Peruvian Forestry Law, which currently does not provide for a significant involvement of indigenous populations. This matter becomes even more serious when we consider that forests are extremely vital for the well-being of these communities, as they depend on them for their livelihood. By extension, this issue also affects the country as a whole given the representativeness of these communities in terms of the quantity and proportion of areas that are under their management.

A substantial improvement in the development of local capacities for the management of forest resources in their jurisdictions will contribute to mitigate the negative effects of illegal timber logging and will result in the establishment of a more favourable legal framework for community forest management activities. This will in turn promote better forest management practices in these areas, which will progressively have positive impacts on the levels of poverty and vulnerability of indigenous communities and hence on the conservation of the potential of forests and of the benefits they can derive from the forest areas where they currently live. This rationale is shown in the following problem tree.

## PROBLEM TREE



### 2.2 Reasons for the pre-project

Given the extent of the geographic area covered by forests in native communities, the cultural diversity that exists among the different ethnic groups and the problems associated to these areas, it will be necessary to firstly carry out relevant field work activities and the participatory formulation of projects aimed at these indigenous communities, so that they can jointly identify alternatives and solutions to problems in accordance with the specific characteristics of each community, thus avoiding the submission of a proposal that is not adapted to the regional reality.

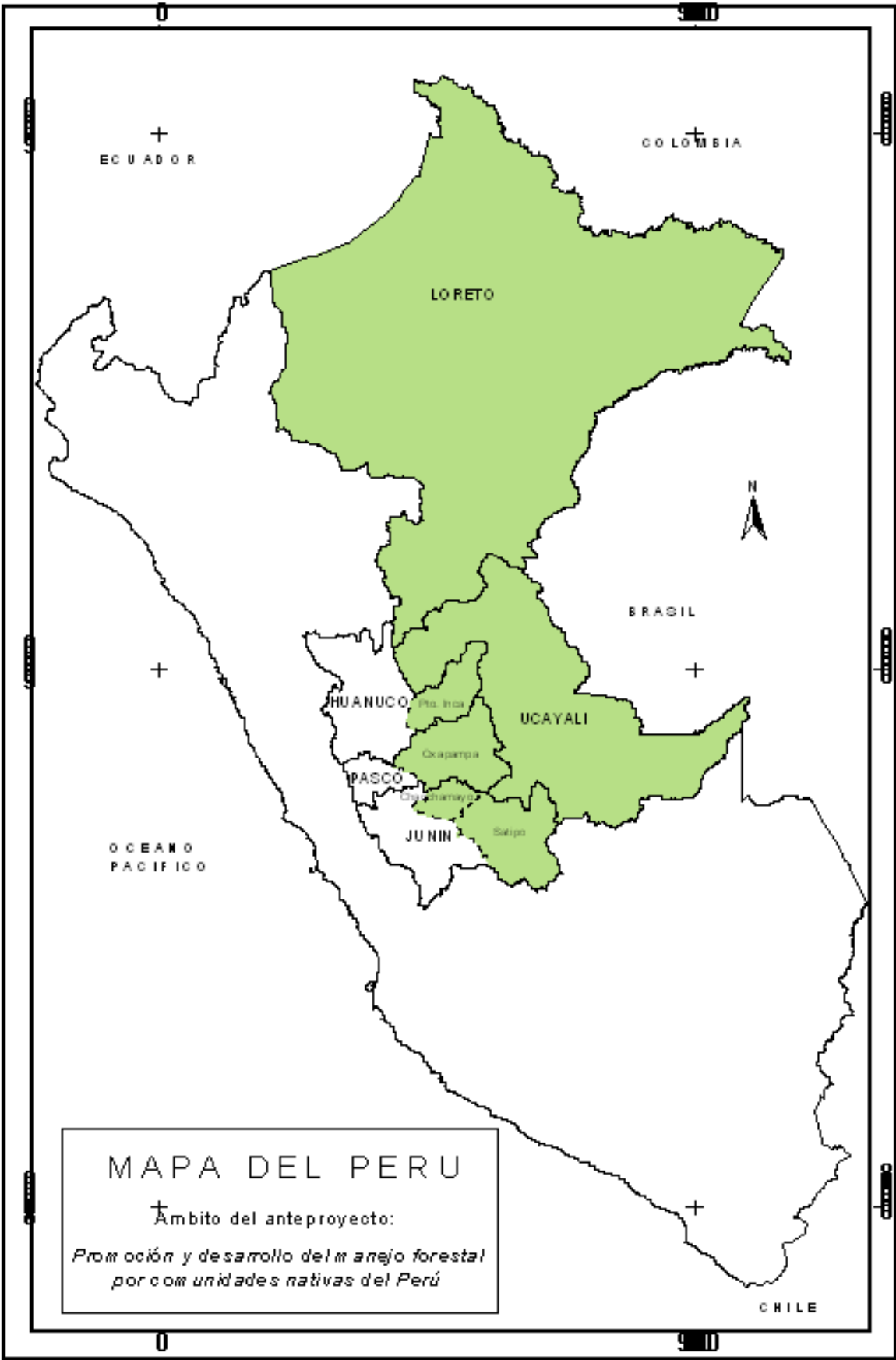
The implementation of this pre-project will provide the local creativity and input required for the formulation of a more suitable project proposal, the identification of more regionally effective strategies and the identification of commitments, rights and responsibilities for the implementation of the aforementioned project. Furthermore, the initial field work to be carried out will create the social conditions required for the implementation of the project. To this end, the participatory identification of factors that could affect the sustainability of the proposal will be vital to ensure the joint formulation and identification of mitigation strategies.

### 2.3 Target beneficiaries

The pre-project will require and promote the active participation of district and regional indigenous organizations, government bodies and private institutions involved in forest management and the development of indigenous communities, particularly native communities. All of these stakeholders will be key information providers for the implementation of situational analysis on the status of forest management by indigenous communities in Peru, and they will all actively participate in the project formulation workshops that will be organised in the selected regions to be identified in the aforementioned study.

The project beneficiaries will be the population of the native communities who will be able to submit their own proposals for the formulation of a project proposal that will assist them in improving the management of their forest resources. The outputs of the pre-project will be used by the Peruvian Government, indigenous organizations, and the NGO AIDER, for the formulation of a development proposal for indigenous peoples at the national level.

The map below shows the potential work area for the future project, covering 5 Amazon regions in the country – Loreto, Ucayali, Junín, Pasco and Huánuco.



## 2.4 Other relevant aspects

The results of this pre-project will allow the Peruvian Government, the civil society and indigenous peoples to have a clear and updated vision of the status of forest management in native community areas. This will facilitate a more appropriate evaluation of the problems faced and their prioritisation needs, and will provide the basis for the formulation of a management proposal for these lands aimed at mitigating the devastating effects of illegal timber logging and trade, which are worsening the levels of poverty affecting these communities. The Peruvian Government is currently promoting the adaptation of forest regulations to the reality of native communities, as this would promote the sustainable management of these areas.

***The experiences of other ongoing and completed ITTO projects in Peru will be taken into account, in particular, those projects related to forest development in native community areas, such as:***

- ***Project PD 14/98 Rev.1 (F): ‘Sustainable Use and Reforestation of Amazon Forests by Indigenous Communities’, implemented by EDMAR, an institution that is currently conducting joint actions with AIDER for voluntary forest certification in 6 native communities that are also beneficiaries of this project.***
- ***Project PD 23/00 Rev.4 (F): ‘Promotion and Transfer of Knowledge on Sustainable Forest Management Models to Timber Producers’, implemented by the National Forestry Chamber; in cooperation with this institution, sustainable forest management training modules have been developed to be replicated for capacity-building in beneficiary indigenous communities.***
- ***Project PD 138/02 Rev.2 (F): ‘Integrated Evaluation and Strategy for the Sustainable Management of Secondary Forests in the Central Forest Region of Peru’, implemented by INRENA. This project is gaining experience in the area where AIDER is proposing to work, and this experience will be used for the formulation of the project envisaged in this proposal.***
- ***Project PD 178/02 Rev.1 (F): ‘Information and Training Programme for Sustainable Forest Management in the Peruvian Amazon Region’, implemented by the Peruvian Amazon Research Institute (IIAP) to contribute to sustainable forest management in the Loreto region.***
- ***Project PD 233/03 Rev.2 (I): ‘Application of Intermediate Technologies for Sustainable Forest Harvesting’, which is being implemented by the Forest Development Promotion Fund (FONDEBOSQUE) with a view to validating the use of intermediate technologies for sustainable forest harvesting, thus following up on the small-scale technological innovation process initiated by AIDER with native communities.***

## 3. Outputs

**3.1 Specific objective 1: Design, through a participatory approach, a sustainable forest management promotion project for the native communities of the Peruvian Amazon Region.**

- **Output 1.1:** Situational analysis on the status of forest management by indigenous communities in the Peruvian Amazon Region carried out.
- **Output 1.2:** A project proposal to promote forest management by native communities developed through a participatory approach and submitted to ITTO for approval.



#### 4. **Activities**

- **Output 1.1: Situational analysis on the status of forest management by indigenous communities in the Peruvian Amazon Region carried out.**
  - Activity 1.1.1. Collect and analyse information on forest management experiences by native communities in the country, including physical-legal status, potential and limitations.
  - Activity 1.1.2. Carry out field visits and participatory workshops on local traditional knowledge and their harmonisation with the current forest legislation.
- **Output 1.2: A project proposal to promote forest management by native communities developed through a participatory approach and submitted to ITTO for approval.**
  - Activity 1.2.1. Develop a project proposal.
  - Activity 1.2.2. Carry out participatory workshops for the presentation and adjustment of the project proposal with the participation of target groups and local authorities.
  - Activity 1.2.3. Draft the project proposal in accordance with the format established by ITTO and submit the final proposal through official channels.

5. **Work Plan**

OUTPUTS /ACTIVITIES	RESPONSIBLE PARTY	SCHEDULE				
		Month 1	Month 2	Month 3	Month 4	Month 5
<u>Output 1.1:</u> Situational analysis on the status of forest management by indigenous communities in the Peruvian Amazon Region carried out.						
Activity 1.1.1. Collect and analyse information on forest management experiences by native communities in the country, including physical-legal status, potential and limitations.	Pre-Project Director	■	■	■		
Activity 1.1.2. Carry out field visits and participatory workshops on local traditional knowledge and their harmonisation with the current forest legislation.	Forestry Expert		■	■	■	
<u>Output 1.2:</u> A project proposal to promote forest management by native communities developed through a participatory approach and submitted to ITTO for approval.						
Activity 1.2.1. Develop a project proposal.	Pre-Project Director			■	■	■
Activity 1.2.2. Carry out participatory workshops for the presentation and adjustment of the project proposal with the participation of target groups and local authorities.	Social Expert				■	■
Activity 1.2.3. Draft the project proposal in accordance with the format established by ITTO and submit the final proposal through official channels.	Pre-Project Director					■

6. **Budget**

**YEARLY PRE-PROJECT BUDGET BY SOURCE - ITTO**

<b>Budget Components</b>	<b>Annual Disbursements</b>	
	<b>Total</b>	<b>Year 1</b>
10. Pre-project personnel	<b>33,500</b>	33500
20. Subcontracts	<b>0</b>	0
30. Duty travel	<b>9,825</b>	9825
40. Capital items	<b>0</b>	0
50. Consumable items	<b>1,850</b>	1850
60. Miscellaneous	<b>2,175</b>	2175
Subtotal 1	<b>47,350</b>	47350
80. ITTO Administration, monitoring & evaluation	<b>5,000</b>	
Subtotal 2	<b>52,350</b>	
83. Programme support costs (5.5% of subtotal 2)	<b>4,188</b>	
<b>TOTAL ITTO</b>	<b>56,538</b>	

**YEARLY PRE-PROJECT BUDGET BY SOURCE – EXECUTING AGENCY /HOST GOVERNMENT**

<b>Budget Components</b>	<b>Annual Disbursements</b>	
	<b>Total</b>	<b>Year 1</b>
10. Pre-project personnel	<b>7,500</b>	7,500
20. Subcontracts	<b>0</b>	0
30. Duty travel	<b>75</b>	75
40. Capital items	<b>6,575</b>	6,575
50. Consumable items	<b>700</b>	700
60. Miscellaneous	<b>1,725</b>	1,725
70. Executing agency management cost (15% of total pre-project budget by activity)	<b>9,589</b>	9,589
<b>TOTAL – EXECUTING AGENCY /HOST GOVERNMENT</b>	<b>26,164</b>	26,164

**CONSOLIDATED PROJECT BUDGET – ITTO CONTRIBUTION**

	Budget Components	Unit Cost	Quantity	Unit	TOTAL	YEAR 1
10	<b>Project Personnel</b>					
	11. National experts				33500	33500
	<i>11.1 Project Director</i>	<i>2500</i>	<i>5</i>	<i>M/M</i>	<i>12500</i>	<i>12500</i>
	<i>11.2 Forest Management Expert</i>	<i>2000</i>	<i>4</i>	<i>M/M</i>	<i>8000</i>	<i>8000</i>
	<i>11.3 Social Science Expert</i>	<i>2000</i>	<i>4</i>	<i>M/M</i>	<i>8000</i>	<i>8000</i>
	<i>11.4 Economics Expert</i>	<i>2000</i>	<i>2.5</i>	<i>M/M</i>	<i>5000</i>	<i>5000</i>
	12. National consultants					
	13. Other labour					
	14. Fellowships and training					
	15. International experts					
	16. International consultants					
	<b>19. Component Total</b>				<b>33500</b>	<b>33500</b>
20	<b>Subcontracts</b>					
	<b>29. Component Total</b>				<b>0</b>	<b>0</b>
30	<b>Duty Travel</b>					
	31. DSA				4780	4780
	32. International travel					
	33. Transport costs				5045	5045
	<b>39. Component Total</b>				<b>9825</b>	<b>9825</b>
40	<b>Capital Items</b>					
	41. Premises					
	42. Land					
	43. Vehicles					
	44. Capital equipment					
	<b>49. Component Total</b>				<b>0</b>	<b>0</b>
50	<b>Consumable Items</b>					
	51. Raw materials					
	52. Spares				300	300
	53. Fuel /utilities				400	400
	54. Office supplies				1150	1150
	<b>59. Component Total</b>				<b>1850</b>	<b>1850</b>
60	<b>Miscellaneous</b>					
	61. Sundry				2175	2175
	62. Auditing					
	63. Contingencies					
	<b>69. Component Total</b>				<b>2175</b>	<b>2175</b>
70	<b>Executing Agency Management Costs</b>					
	<b>79. Component Total</b>					
	<b>SUBTOTAL</b>				<b>47350</b>	<b>47350</b>
80	<b>ITTO Administration, Monitoring &amp; Evaluation</b>					
	81. Monitoring and review costs				5000	
	82. Evaluation costs				0	
	83. Programme support costs				4188	
	<b>89. Component Total</b>				<b>9188</b>	
90	Refund of pre-project costs				0	
100	<b>GRAND TOTAL</b>				<b>56538</b>	

**CONSOLIDATED PROJECT BUDGET – AIDER CONTRIBUTION**

	<b>Budget Components</b>	<b>Unit Cost</b>	<b>Quantity</b>	<b>Unit</b>	<b>TOTAL</b>	<b>YEAR 1</b>
10	<b>Project Personnel</b>					
	11. National experts					
	12. National consultants					
	13. Other labour				7500	7500
	<i>AIDER Coordinator</i>	1500	5	M/M	7500	7500
	14. Fellowships and training					
	15. International experts					
	16. International consultants					
	<b>19. Component Total</b>				<b>7500</b>	<b>7500</b>
20	<b>Subcontracts</b>					
	<b>29. Component Total</b>				<b>0</b>	<b>0</b>
30	<b>Duty Travel</b>					
	31. DSA					
	32. International travel					
	33. Transport costs				75	75
	<b>39. Component Total</b>				<b>75</b>	<b>75</b>
40	<b>Capital Items</b>					
	41. Premises				1150	1150
	42. Land					
	43. Vehicles					
	44. Capital equipment				5425	5425
	<b>49. Component Total</b>				<b>6575</b>	<b>6575</b>
50	<b>Consumable Items</b>					
	51. Raw materials					
	52. Spares				200	200
	53. Fuel /utilities				200	200
	54. Office supplies				300	300
	<b>59. Component Total</b>				<b>700</b>	<b>700</b>
60	<b>Miscellaneous</b>					
	61. Sundry				925	925
	62. Auditing				800	800
	63. Contingencies					
	<b>69. Component Total</b>				<b>1725</b>	<b>1725</b>
70	<b>Executing Agency Management Costs</b>					
	<b>79. Component Total</b>				<b>9589</b>	
	<b>SUBTOTAL</b>				<b>26164</b>	
80	<b>ITTO Administration, Monitoring &amp; Evaluation</b>					
	81. Monitoring and review costs				0	
	82. Evaluation costs				0	
	83. Programme support costs				0	
					<b>0</b>	
90	<b>89. Component Total</b>				<b>0</b>	
100	Refund of pre-project costs				<b>26164</b>	

### OVERALL PRE-PROJECT BUDGET BY ACTIVITY

OUTPUTS /ACTIVITIES + Non-activity based expenses	BUDGET COMPONENTS							GRAND TOTAL
	10. Project Personnel	20. Sub-Contracts	30. Duty Travel	40. Capital Items	50. Consumable Items	60. Miscellaneous	Quarter Year	
<b>OUTPUT 1 : <u>Baseline study on the status of community forest management in Peru carried out and analysed</u></b>								
Activity 1.1: Implementation of baseline study on the status of community forest management in Peru.	2000 (I)		2620 (I)	1000 (E)	300 (I/E)		Q1 Y1	5920
Activity 1.2: Analysis of the situation revealed by the study and proposal of development alternatives.	4000 (I)		3800 (I)	2925 (E)	500 (I/E)	450 (E)	Q1 Y1	11675
<b>subtotal 1</b>	<b>6000 (I)</b>	<b>0</b>	<b>6420 (I)</b>	<b>3925 (E)</b>	<b>800 (I/E)</b>	<b>450 (E)</b>	<b>0</b>	<b>17595</b>
<b>OUTPUT 2 : <u>Project proposal developed for submission to ITTO, including objectives, strategies, activities, targets and commitments established through a participatory approach.</u></b>								
Activity 2.1: Gathering of information on key processes and stakeholders in the relevant regions regarding community forest management issues.	3000 (I)			1500 (E)	200 (I)	100 (I)	Q1 Y1	4800
Activity 2.2: Implementation of regional workshops for the formulation of a project proposal.	6000 (I)		3480 (E/I)		150 (I)	600 (I)	Q1 Y1	10230
Activity 2.3: Documentation and submission of proposal in accordance to ITTO's terms of reference.	6000 (I)				300 (I)	200(I)	Q1 Y1	6500
<b>subtotal 2</b>	<b>15 000 (I)</b>	<b>0</b>	<b>3480 (E/I)</b>	<b>1500 (E)</b>	<b>650 (I)</b>	<b>900 (I)</b>		<b>21530</b>
<b><u>NON-ACTIVITY BASED EXPENSES</u></b>								
(1) Project Director	12500 (I)						Q1,Q2 Y1	12500
(2) AIDER Coordinator	7500 (E)						Q1,Q2 Y1	7500
(3) Fuel					600 (E/I)		Q1,Q2 Y1	600
(4) Utilities /Basic services						500 (E/I)	Q1,Q2 Y1	500
(5) Communications						1250 (E/I)	Q1,Q2 Y1	1250
(6) Rental of premises				1150 (E)			Q1,Q2 Y1	1150
(7) Computer spares and supplies					500 (E/I)		Q1,Q2 Y1	500
(8) Auditing						800 (E)	Q1,Q2 Y1	800
<b>subtotal 3</b>	<b>20000 (E+I)</b>	<b>0</b>	<b>0</b>	<b>1150 (E)</b>	<b>1100 (E+I)</b>	<b>2550 (E+I)</b>		<b>24800</b>
<b>Subtotal (ITTO)</b>	<b>33500</b>		<b>9825</b>		<b>1850</b>	<b>2175</b>		<b>47350</b>
<b>Subtotal (AIDER)</b>	<b>7500</b>		<b>75</b>	<b>6575</b>	<b>700</b>	<b>1725</b>		<b>16575</b>
<b>TOTAL</b>	<b>41000</b>	<b>0</b>	<b>9900</b>	<b>6575</b>	<b>2550</b>	<b>3900</b>		<b>63925</b>

## PART III. THE TROPICAL TIMBER FRAMEWORK

### 1. Compliance with ITTA 1994 objectives

This pre-project is closely related to the following ITTA objectives:

- **Objective c:** To contribute to the process of sustainable development

The pre-project is directly linked to the achievement of this objective as it is aimed at the formulation of a project proposal for the development of indigenous peoples through the implementation of forest resource management strategies in accordance with sustainability criteria. In other words, it will establish a course of action that will not be based on externally supported development but rather on the own potential and natural assets of these communities.

- **Objective d:** To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000

This pre-project is aimed at improving the knowledge on and enforcement of forest legislation by indigenous peoples as their territories are severely affected by illegal logging and trade activities. Currently, most community forest resources are harvested by third parties without any management plans. After a corrupt process of "legalisation", this timber is marketed and exported without complying with government regulations and robbing the local communities of their own resources.

- **Objective j:** To encourage members to support and develop industrial tropical timber reforestation and forest management activities as well as rehabilitation of degraded forest land, with due regard for the interests of local communities dependent on forest resources

The need to ensure the active participation and leadership of local communities for sustainable forest management is usually ignored. This pre-project is aimed at the development of local capacities. Thus, the participatory formulation of a project proposal on forest management is envisaged to provide local communities with specialised technical assistance. This will enable them to better meet their interests and expectations, while raising their awareness on the need to consider the conservation of forests as a vital element for the indigenous peoples living therein.

### 2. Compliance with ITTO Action Plan

This proposal is consistent with the following goals of the ITTO Action Plan, particularly in the area of Forest Management and Reforestation:

- **GOAL 1: Support activities to secure the tropical timber resource base**

This goal relates to objectives (c), (d) and (i) of Article 1 of the ITTA, 1994. The proposal is consistent with this goal as it will seek to promote the new Peruvian forest legislation in titled indigenous territories which are currently affected by illegal logging and trade, considering that the implementation of Forestry Law No. 27308 in the past five years has been focused mostly on forest concessions. These indigenous territories have great forest potential to be incorporated into the market within a formal legal framework and can contribute to the development of the sector and the alleviation of poverty in local communities.

Furthermore, the proposal will promote increased involvement from indigenous organisations in the search for alternatives to solve forest problems, which will contribute to the consolidation of these stakeholders in the sustainable forest management process while preventing and addressing illegal and informal forest activities.

Through the implementation of the future project, it will be possible to introduce improvements in the national forest regulations and standards based on specific regional practices.

- **GOAL 2: Promote sustainable management of tropical forest resources**

This goal relates to objectives (c), (d), (f), (g) and (j) of Article 1 of the ITTA, 1994. The proposal is related to this goal because the project to be formulated will promote the application of ITTO guidelines, criteria and indicators in special areas such as indigenous territories. In this context, reduced impact logging (RIL) and voluntary forest certification programs will be encouraged.

Furthermore, the proposal will promote cooperative and/or community systems for the management and administration of production forest areas under the leadership of local communities and with the support of their representative organisations.



# **ANNEXES**

## ANEXO A

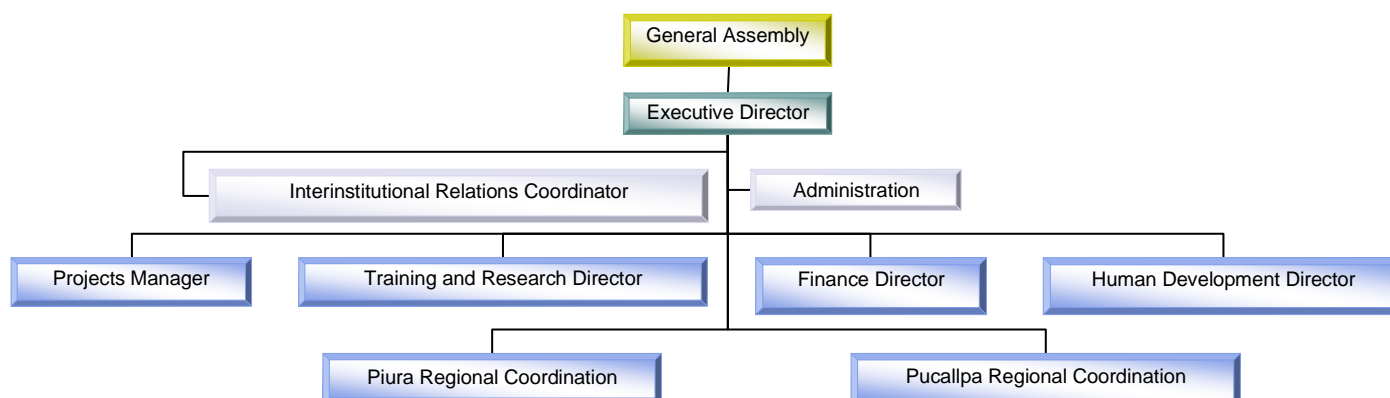
### PROFILE OF THE EXECUTING AGENCY

#### 3.1 Expertise of the executing agency

The Association for Integrated Research and Development (AIDER) is a non-profit non-governmental organisation (NGO). Its mission is to contribute to the improvement of the quality of life of poor communities through technical and production proposals aimed at biodiversity conservation. The Association is specialised in community forestry, particularly in the following activities:

- Formulation, implementation and management of forest development projects;
- Integrated forest management, degraded land rehabilitation and reforestation;
- Facilitation of phased forest certification processes (FSC);
- Formulation and implementation of Forest Management Plans;
- Social-industrial organisation and marketing;
- Environmental education, development of training and dissemination packages.

AIDER's organisational flow chart is given below:



The main projects implemented by AIDER over the last 3 years are:

Project Title	Duration	Grant (US\$)	Financing Source
Consolidation of voluntary forest certification under the stewardship system in five native communities	2006	100 000	World Wide Fund for Nature - WWF
Reforestation, sustainable production and carbon sequestration in dry forest ecosystems	2005-2007	100 000	Fund of the Americas
Amazon medicinal plant conservation project in Shipibo Konibo indigenous communities	2005-2006	49,465	Small Grants Program (SGP) of the Global Environmental Facility - World Bank
Forest management by small farmers in the Amazon Region	2005-2008	182 000	European Union
Jemabaon nii, Managing community forests to alleviate poverty	2003-2005	1'664,764	Royal Embassy of the Netherlands
Reforestation project in degraded areas with a view to certification and future sale of forest resources	2004-2006	403 970	Fund of the Americas, Regional Government of Ucayali, Private Sector
Low impact forest logging in five forest concessions of the Tamaya- Ucayali Sector	2004	100,000	Forest Development Promotion Fund (FONDEBOSQUE)
Community Forest Conservation in the Amazon Region	1999-2003	1'174,262	Royal Embassy of the Netherlands

### 3.2 Infrastructure of the Executing Agency

AIDER's head office is located in the city of Lima, Peru. In addition, the Association has a Regional Coordination Office in the city of Pucallpa, capital of the Ucayali region, where this proposal will be located.

In Pucallpa AIDER has a 100-square metre office, equipped with 13 personal computers, 2 printers, 1 local network, 2 laptop computers, 1 multimedia projector, 1 scanner, 1 audiovisual equipment, 2 telephone lines, 2 RPM cellular phones, direct access to Internet, fax machine, furniture, field equipment (GPS, compasses), 2 motorcycles, 4 outboard motor boats and 1 radio equipment.

In addition, at the head office in Lima it has 90 square metres of office space, equipped with 6 personal computers, 4 printers, 1 local network, 1 multimedia projector, audiovisual equipment, 3 telephone lines, 1 RPM cellular phone network, direct access to internet, fax machine and furniture.

### 3.3 Budget

#### 2002

Total Annual Income: US\$ 667 082

Main financing sources:

- Royal Embassy of the Netherlands: US\$ 475 023 (71.2%)
- Fund of the Americas – Peru: US\$ 136 685 (20.5%)
- Inter-American Foundation: US\$ 41 352 ( 6.2%)
- USAID, Small Grants Program: US\$ 9 839 ( 1.5%)
- AIDER Contribution: US\$ 4 183 (0.6%)

#### 2003

Total Annual Income: US.\$ 895 398

Main financing sources:

- Royal Embassy of the Netherlands: US.\$ 678 209 (75.7 %)
- Inter-American Foundation: US.\$ 52 112 ( 5.8 %)
- Forest Development Promotion Fund: US\$ 24 130 (2.7 %)
- AIDER Contribution: US.\$ 140 947 (15.7 %)

#### 2004

Total Annual Income: US\$ 1 234 637

Principales Fuentes de financiamiento:

- Royal Embassy of the Netherlands: US\$ 874 761 (70.9%)
- Gobierno Regional de Ucayali: US\$ 73 304 (5.9 %)
- FONDEBOSQUE: US.\$ 40 925 (3.3%)
- Inter-American Foundation: US\$ 32 651 (2.6%)
- Fund of the Americas: US\$ 26126 (2.1 %)
- Bosques Amazónicos S.A.C.: US\$ 16 776 (1.4 %)
- AIDER Contribution: US\$ 170 094 ( 13.8 %)

### 3.4 Personnel

AIDER has 6 professionals with post-graduate studies, 10 with university degrees, 8 technicians and 10 administrative support staff, with a total of 34 people working in AIDER's Moist Forest Management Programme.

## ANNEX B

### CURRICULA VITAE OF KEY STAFF

#### TERMS OF REFERENCE FOR THE PRE-PROJECT DIRECTOR

AIDER will hire a Pre-Project Director for the implementation of the pre-project on “Forest Promotion and Development by Native Communities in Peru”.

##### **Qualifications:**

The Pre-Project Director should be a high-level forest engineer with experience in the management of development projects. The candidate should have at least 5 years experience in forest management with indigenous communities in the Amazon Region. In addition, he/she should have experience in the formulation of development projects and be familiar with the intercultural approach. The Pre-Project Director should also be available to travel to the Peruvian Amazon regions.

##### **Duties:**

1. Develop a work plan for the pre-project.
2. Supervise and monitor pre-project activities.
3. Provide technical and administrative assistance for the implementation of pre-project activities.
4. Supervise pre-project expenditures.
5. Supervise the development of the project proposal to be submitted to ITTO.
6. Submit the formulated project proposal to ITTO.

#### TERMS OF REFERENCE FOR THE FORESTRY EXPERT

AIDER will hire a Forestry Expert for the implementation of the pre-project on “Forest Promotion and Development by Native Communities in Peru”.

##### **Qualifications:**

The Forestry Expert should be a forest engineer with experience in the participatory formulation of forest development projects. The candidate should have at least 5 years experience in forest management with indigenous communities in the Amazon Region. In addition, he/she should be familiar with the intercultural approach.

##### **Duties:**

1. Collect office and field data for the implementation of an analytical study on forest management by native communities.
2. Document the analytical study conducted.
3. Formulate a project proposal for forest promotion and development with indigenous peoples.
4. Participate in participatory workshops to be held in Peruvian Amazon regions for the adjustment of the project proposal.

5. Participate in the formulation of the project proposal.

### **TERMS OF REFERENCE FOR THE SOCIAL EXPERT**

AIDER will hire a Social Expert for the implementation of the pre-project on “Forest Promotion and Development by Native Communities in Peru”.

#### **Qualifications:**

The Social Expert should be an anthropologist or sociologist with experience in the participatory formulation of forest development projects. The candidate should have at least 5 years experience in forest management with indigenous communities in the Amazon Region. In addition, he/she should be familiar with the intercultural approach.

#### **Duties:**

1. Collect office and field data for the implementation of an analytical study on forest management by native communities.
2. Document the analytical study conducted.
3. Formulate a project proposal for forest promotion and development with indigenous peoples.
4. Coordinate participatory workshops in Peruvian Amazon regions for the adjustment of the project proposal.
5. Participate in the formulation of the project proposal.

### **TERMS OF REFERENCE FOR THE ECONOMICS EXPERT**

AIDER will hire an economics expert for the implementation of the pre-project on “Forest Promotion and Development by Native Communities in Peru”.

#### **Qualifications:**

The Economics Expert should be an economist with experience in the participatory formulation of development projects. The candidate should have at least 5 years experience in forest management with indigenous communities in the Amazon Region. In addition, he/she should be familiar with the intercultural approach.

#### **Duties:**

1. Collect office and field data for the implementation of an analytical study on forest management by native communities.
2. Document the analytical study conducted.
3. Formulate a project proposal for forest promotion and development with indigenous peoples.
4. Participate in the participatory workshops to be held in Peruvian Amazon regions for the adjustment of the project proposal.
5. Participate in the formulation of the project proposal.

## ANNEX C

### INPUT REQUIREMENTS AND BUDGET BY ACTIVITY

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO Contribution	AIDER Contribution
	Description & Units	Qty.						
<b>Resultado 1</b>	M/M Forest Management Expert	0.5	2,000	Q1 Y1	11.2	1,000	1,000	
	M/M Social Science Expert	0.5	2,000	Q1 Y1	11.3	1,000	1,000	
	Days – DSA	24.0	40	Q1 Y1	31	960	960	
<b>Activity 1.1</b>	National airfares	4.0	200	Q1 Y1	33	800	800	
	National land travel	12.0	30	Q1 Y1	33	360	360	
	Overall – Local transport	1.0	500	Q1 Y1	33	500	500	
	Computer equipment	2.0	500	Q1 Y1	44	1,000		1,000
	Overall – Office supplies	1.0	300	Q1 Y1	54	300	200	100
						<b>5,920</b>	<b>4,820</b>	<b>1,100</b>

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO	AIDER
	Description & Units	Qty.						
<b>Output 1</b>	M/M Forest Management Expert	1.0	2,000	Q1 Y1	11.2	2,000	2,000	
	M/H Social Science Expert	1.0	2,000	Q1 Y1	11.3	2,000	2,000	
	Snacks /Light refreshments	200.0	1	Q1 Y1	31	200	200	
	Lunch meals	100.0	2	Q1 Y1	31	150	150	
	Days - DSA	35.0	40	Q1 Y1	31	1,400	1,400	
<b>Activity 1.2</b>	National airfares	3.0	200	Q1 Y1	33	600	600	
	National land travel	15.0	30	Q1 Y1	33	450	450	
	Overall – Local transport	1.0	400	Q1 Y1	33	400	400	
	Local tickets	30.0	20	Q1 Y1	33	600	600	
	Digital photographic camera	1.0	400	Q1 Y1	44	400		400
	Laptop	1.0	1,000	Q1 Y1	44	1,000		1,000
	Multimedia projector	1.0	1,300	Q1 Y1	44	1,300		1,300
	Acrylic board	1.0	25	Q1 Y1	44	25		25
	Screen	1.0	200	Q1 Y1	44	200		200
	Overall – workshop supplies (paper boards, markers, photocopies, cards, batteries, masking tape)	1.0	500	Q1 Y1	54	500	300	200
	Logistic services	3.0	150	Q1 Y1	61	450	450	
						<b>11,675</b>	<b>8,550</b>	<b>3,125</b>

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO	AIDER
	Description & Units	Qty.						
<b>Output 2</b>	M/M Forest Management Expert	0.5	2,000.0	Q1 Y1	11.2	1,000	1,000	
	M/M Forest Science Expert	0.5	2,000.0	Q1 Y1	11.3	1,000	1,000	
<b>Activity 2.1</b>	M/M Economist	0.5	2,000.0	Q1 Y1	11.4	1,000	1,000	
	Overall – Office furniture	1.0	1,500.0	Q1 Y1	44	1,500		1,500
Development of project proposal	Overall – Office supplies	1.0	200.0	Q1 Y1	54	200	200	
	Overall – Photocopies, telephone cards	1.0	100.0	Q1 Y1	61	100	100	
						<b>4,800</b>	<b>3,300</b>	<b>1,500</b>

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO	AIDER
	Description & Units	Qty.						
<b>Output 2</b>	M/M Forest Management Expert	1.0	2,000.0	Q2 Y1	11.2	2,000	2,000	
	M/M Social Science Expert	1.0	2,000.0	Q2 Y1	11.3	2,000	2,000	
<b>Activity 2.2</b>	M/M Economist	1.0	2,000.0	Q2 Y1	11.4	2,000	2,000	
	Snacks /Light refreshments	60.0	1.0	Q2 Y1	31	60	60	
	Lunch meals	60.0	1.5	Q2 Y1	31	90	90	
	Days - DSA	48.0	40.0	Q2 Y1	31	1,920	1,920	
	National airfares	3.0	200.0	Q2 Y1	33	600	600	
	National land travel	6.0	30.0	Q2 Y1	33	180	180	
	Local tickets	24.0	20.0	Q2 Y1	33	480	480	
Implementation of participatory workshops	Overall – Local transport	1.0	150.0	Q2 Y1	33	150	75	75
	Overall – Workshop supplies (paper boards, markers, photocopies, cards,)	1.0	150.0	Q2 Y1	54	150	150	
	Logistic services	3.0	200.0	Q2 Y1	61	600	600	
						<b>10,230</b>	<b>10,155</b>	<b>75</b>

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO	AIDER
	Description & Units	Qty.						
Output 2 Activity 2.3 Drafting project proposal according to ITTO structure and presentation requirements	M/M Forest Management Expert	1.0	2,000.0	Q2 Y1	11.2	2,000	2,000	
	M/M Social Science Expert	1.0	2,000.0	Q2 Y1	11.3	2,000	2,000	
	M/M Economist	1.0	2,000.0	Q2 Y1	11.4	2,000	2,000	
	Overall – Office supplies	1.0	300.0	Q2 Y1	54	300	300	
	Overall – Photocopies, telephone cards	1.0	200.0	Q2 Y1	61	200	200	
						<b>6,500</b>	<b>6,500</b>	<b>0</b>

Outputs & Activities	Inputs		Unit Cost	Quarter Year	Budget Component	Total Quantity	ITTO	AIDER
	Description & Units	Qty.						
	M/M Project Director	5.0	2,500.0		11.1	12,500	12,500	
	M/M AIDER Coordinator	5.0	1,500.0	Q1, Q2 Y1	13	7,500		7,500
	Month – Rental of premises	5.0	230.0	Q1, Q2 Y1	41	1,150		1,150
	Overall – Computer equipment accessories and spares	1.0	500.0	Q1, Q2 Y1	52	500	300	200
	Overall - Fuel	1.0	600.0	Q1, Q2 Y1	53	600	400	200
	Month – Utilities /basic services	5.0	100.0	Q1, Q2 Y1	61	500	200	300
	Month – Communications	5.0	250.0	Q1, Q2 Y1	61	1,250	625	625
	Auditing	1.0	800.0	Q2 Y1	62	800		800
						<b>24,800</b>	<b>14,025</b>	<b>10,775</b>

Subtotal	<b>63,925</b>	<b>47,350</b>	<b>16,575</b>
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AIDER Management Costs			15.00%	9,589		9,589
<b>ITTO Monitoring and Review Costs</b>				<b>5,000</b>	<b>5,000</b>	
ITTO Programme Support Costs			<b>8%</b>	<b>4,188</b>	<b>4,188</b>	
			TOTAL	<b>82,702</b>	<b>56,538</b>	<b>26,164</b>



## ANNEX D

### TABLE OF MODIFICATIONS MADE IN RESPONSE TO THE 32ND EXPERT PANEL'S COMMENTS

<b>PPD 129/06 (F): Forest Promotion and Development by Native Communities in Peru (Peru)</b>	
<u>Assessment by the Thirty-second Panel</u>	
A) <u>Overall Assessment</u>	
<p>The Panel recognized the importance of the pre-project in providing assistance in the participatory formulation of a project aimed at sustainable community forest management development in indigenous peoples' territories of the Peruvian Amazon Region, with a view towards mitigating illegal logging, rehabilitating degraded forest lands and alleviating poverty in these territories. The Panel further acknowledged that the pre-project proposal was well developed following the ITTO format.</p>	<p>The recommendations have been incorporated into the pre-project document and are marked in bold and italics.</p>
B) <u>Specific Recommendations</u>	
<p>The proposal should be revised taking into account the following:</p>	
<p>1. Provide unit costs for project personnel in the budgets by component for the ITTO and counterpart contributions, as per the ITTO format.</p>	<p>1. The CONSOLIDATED PROJECT BUDGET – ITTO CONTRIBUTION (page 12) and the CONSOLIDATED PROJECT BUDGET – AIDER CONTRIBUTION (page 13) now include 3 additional columns for unit costs, quantities and units, which have been detailed for budget item #10 (Project Personnel).</p>
<p>2. Take into account the results of other related ongoing or completed ITTO projects in Peru in order to achieve synergies as regards project outputs.</p>	<p>2. A brief reference has been made to ITTO financed projects that have been identified as having potential to develop synergies with the current proposal (page 8).</p>
<p>3. Include US\$ 5,000 to cover the costs for ITTO monitoring and review, and recalculate the ITTO's Programme Support Costs so as to conform to the new standard of 8% of total ITTO project costs as decided by the 35th ITTC.</p>	<p>3. The monitoring and review costs and the programme support costs have been adjusted in the YEARLY PROJECT BUDGET BY SOURCE – ITTO (page 11) and the CONSOLIDATED PROJECT BUDGET – ITTO CONTRIBUTION (page 12) following the Expert Panel's recommendations.</p>