

**BLOCK A (PDF-A) GRANT PROPOSAL FOR DEVELOPING A
GEF MEDIUM-SIZE PROPOSAL IN
PERU**

- [REDACTED]
1. **Project Name:** Conservation and Sustainable Use of Biodiversity by Ashaninka indigenous people in Central Peruvian Amazonia.
 2. **GEF Implementing Agency:** United Nations Development Programme (UNDP)
 3. **Country in which the Project is to be Implemented:** Peru
 4. **Country Eligibility:** Peru ratified the Convention on Biological Diversity (CBD) by enacting Legislative Resolution N°26181, on April 30, 1993.
 5. **GEF Focal Area:** Biological Diversity
 6. **GEF Operational Program:** OP #3 Forest Ecosystems
 7. **Project Linkage to National Priorities, Action Plans, & Programs:**

The project fits the objectives of several components of Peru's environmental legislation framework, including the Code on Environment, Law on Protected Natural Areas N° 25834, and Law N° 22175 on Native Communities and Agricultural Development. In addition, governmental entities with responsibility for the environment in Peru (e.g. the National Institute of Natural Resources -- INRENA) are taking measures focused on improving management quality of protected natural areas by incorporating concepts and plans such as the Directing Plan for Protected Natural Areas (DPPNA) designed and approved in 1999. The main objective of this Plan is "to support the country's sustainable development through the preservation of a representative sample of biological diversity by developing efficacious management of protected natural areas, thus guaranteeing contribution stemming from its environmental, social, and economic benefits to the society.

More specifically, the DPPNA calls for co-management mechanisms involving the participation of local communities and, in particular, indigenous communities. In the DPPNA, the Government of Peru established a "Communal Reserve" land-use category as part of its efforts to begin decentralizing forest management in Peru. The Communal Reserve category gives local communities the option of legally assuming management rights over local areas in a way that meets their sustainable development needs and achieves conservation objectives for the area. Finally, the DPPNA also recognizes the establishment of buffer zones, such as those envisioned for the Project, as a priority for the protected areas system.

8. GEF national operational focal point and date of endorsement:

Endorsed by Consejo Nacional del Ambiente (CONAM): January 5, 2000

9. Description of Project Baseline:

A. Description of the Project Area

The Project area is within the Yungas region of the eastern slope of the Andes in central Peru, specifically within the Provinces of Chanchamayo and Satipo, which together have an area of 2,414,532 hectares. Inhabited by the indigenous Ashaninka, Nomatsiguenga and Yanasha people, it is a region of globally important cultural and biological diversity. The Project area is dominated by lowland rainforest (approx. 60%) and higher elevation cloud forest (approx. 40%), and is characterized by narrow valleys and sharp altitudinal gradients.

The envisioned Project area totals close to one million hectares (see Annex 1 for maps) comprised of different ecosystem types, land-uses and property rights. Of these one million hectares, approximately 300,000 hectares are unexploited public forestlands, bordered on the east by the Apurimac Reserve Zone protected area and on the west by titled lands of the indigenous Ashaninka people. The Ashaninka lands, totaling 469,409 hectares (of which 326,000 hectares are forestlands), in turn share borders with agricultural lands settled by colonists from outside the region.

The indigenous peoples living in the Project area number approximately 32,000, predominantly Ashaninka (1993 INEI Census), the largest indigenous group in the entire Peruvian Amazon. The Ashaninka are organized into 146 native communities who own and manage legally recognized lands. These communities are concentrated in the eastern part of the Project area bordering the public forestlands, primarily in the roadless and undeveloped Rio Tambo and Rio Ene watersheds, but some smaller communities also exist in the western part of the Project area. Traditionally, Ashaninka economic activity is based on subsistence agriculture, hunting and fishing, and some harvesting of non-timber forest products. In addition, the Ashaninka engage in small-scale timber harvesting, and in the past few decades, some Ashaninka communities have granted concessions to settlers to cut forests within the community reserves.

Settlers from outside the region began to appear as long ago as the 19th century, attracted by the chance to clear forestlands and develop agricultural holdings. Today, the settlers are concentrated in the western part of the Project area, primarily in low-lying areas served by roads, where they have cleared areas of forest for agricultural land, and in some cases, operate forestry concessions on Ashaninka titled lands.

Though the Ashaninka and settlers have been in the region for quite some time, there still remain large tracts of untouched forest in the Project area. These public forestlands are primarily found in the far eastern part of the Project area, with the largest tract located between Ashaninka community lands and the Apurimac Reserve Zone. These public forestlands are owned by the government of Peru and are largely unstudied and unmanaged. Some timber concessions and even small land settlement may have taken place in the area (although no firm information is available), but in general these hard to access forestlands have seen few settlers and little development.

Together with the large tracts of remaining forest on Ashaninka titled lands, the public forestlands are an important center for Amazonian biodiversity. These areas are endowed with large expanses of both cloud forest and lowland tropical forest, as well as several highland areas with scrub and grassland habitats completely surrounded by these forests. The region is home to a number of locally endemic, threatened and endangered species, and is classified as Peruvian Yungas (Ecoregion 51), areas that are considered endangered, globally outstanding, and of highest priority at the regional scale (Dinerstein et al., 1995).

Among the resident species in the Project area considered endangered are 15 mammals, 38 birds, 2 reptiles, and approximately 50 plants, including several tree species (see Annex 3 for lists of species). Mammals found include species listed in the Red Data Book of IUCN and CITES (*Caluromys lanatus*, *Chironectes minimus*, *Choloepus didactylus*, *Priodontes maximus*, *Myrmecophaga tridactyla*, *Saguinus fuscicollis*, *Aotus spp.*, *Ateles belzebuth*, *Cebus albifrons*, *Leopardus tigrinus*, *Panathera onca*, *Bassaricyon gabii*, *Tremarctos ornatus*, *Tapirus terrestris*, *Pudu mephistophiles*, *Dinomys branickii*). The Project area also is very rich in bird species (more than 450 species), many of which are endangered, including the harpy eagle (*Harpia harpyja*), the crested eagle (*Morphnus guianensis*), Isidor's eagle (*Oroaetus isidori*), toucans (*Andigena spp.*) and the cock of the rock (*Rupicola peruviana*). Reptiles are well represented by river alligators and numerous ophidian (snakes) and saurian (lizards) species.

The Project area also has high floristic biodiversity, with some 200 species of orchids, of which five are endemic and endangered; timber species such as walnut (*Junglas neotropica*), ulcumano (*Podocarpus spp*); cedar (*Cedrella adorata*); capirona (*Calycophyllum spruceanum*); oje (*Ficus*

insipida), and catahua (*Ura crepitans*), and palms such as Yarina (*Phytelephas macrocarpa*).

Finally, indigenous populations have complemented the naturally occurring biodiversity of the region with a long tradition of agrobiodiversity domestication. Locally domesticated species include sachapapa (*Dioscorea spp*), shapaja (palm), cat's claw (*Uncaria tomentosa*), sangre de grado or Dragon's blood (*Croton loechieri*), cocona (*Solanum topiro*), naranjilla (*Solanum quitoense*), and ciruelo de fraile or Amazon plum (*Bunchosia armeniaca*).

B. Past and Current Baseline Activities

The Ashaninka people are intensely interested in preserving their traditional way of life, including a healthy and well-functioning environment, and in developing new, sustainable economic alternatives to augment their existing quality of life. The Ashaninka recognize the activities of settlers, both on their own titled lands and in the areas of neighboring public forestlands, as the biggest threat to their own livelihoods.

Settlers, primarily poor peasants from the Andes, have been moving into the area for over 100 years, but the rate of immigration has increased dramatically in the past few decades, and this region is now subject to the most intense immigration pressure in all of the Peruvian Amazon. Many settlers engage in a variety of agricultural activities, including cattle ranching and coffee and citrus growing, while others become involved with commercial timber and mining operations. In almost all cases, the economic activities of settlers are incompatible with the natural forest environment of the region, and the steady increase in settlement and demand for land is a direct threat to biodiversity in the region.

In response to these threats, the Ashaninka are organizing to play a direct role in conserving, managing, and protecting lands throughout the Project area. On their own titled lands, the Ashaninka intend to develop Community Forest Reserves that will protect the extensive forests remaining in Ashaninka territory and the biodiversity that these forests harbor. Although the Ashaninka were granted formal title to their lands in 1978 with the enactment of the Law on Native communities, and since that time have been building their capacity to manage their lands in a multi-user environment, they recognize that changing economic opportunities and population pressures require that they adopt more effective management regimes. They also see the necessity of demonstrating active management in order to reinforce their claims to their own lands, as settlers have begun to squat on and even claim title to Ashaninka community lands.

The Ashaninka also are working with the Peruvian government to determine the best management structure to conserve the public forestlands adjoining their territory. The Ashaninka are preparing a petition to the Peruvian government to be granted formal communal reserve rights over this land, while also working with INRENA and the Ministry of Agriculture (which currently has nominal responsibility for these lands) to explore other options, including the establishment of a protected area (similar to the Pui Pui and San Carlos-San Matias areas), or other form of national park or sanctuary. Efforts to implement Ashaninka management of public forestlands are supported by Peruvian law, including provisions in the Peruvian constitution for including communally managed lands into the national protected areas system, and government policies emphasizing the importance of ecological corridors and buffer zones for existing protected areas.

The latter point is important because of the existence of several existing protected areas within the region. Bordering the Project area on the southeast is the Apurimac Reserve Zone (1,669,300 hectares), an area that has not been formally established as a protected area, but one where INRENA and at least one international NGO (Conservation International) are undertaking biodiversity research and establishing accurate boundaries. Two established protected areas are in close proximity to the Project area: the Pui-Pui Protected Forest (60,000 hectares), and the San Matias-San Carlos Protected Forest (145,813 hectares), both of which currently lack effective management regimes, though INRENA and the Peruvian NGO Pro-Naturaleza are active in the latter area. Finally, the proposed El Sira Communal Reserve borders the Project area on the north.

By establishing an effective conservation regime within the Project area, the Project will serve to monitor and protect lands within the Project area, and prevent the migration of settlers or development of infrastructure across these lands and into neighboring protected areas. In addition, the Project area will act as an important ecological corridor linking these other protected areas, all of which are composed of ecological zones similar to that in the Project area, with large areas of both cloud forest and lowland tropical forest, and which share many of the same endangered species listed by the IUCN in the Project area.

The ability of the Ashaninka to develop and execute projects has been enhanced greatly in recent years by their experience with various government initiatives. In the 1980s, the Peruvian government established the Pichis-Palcazu project (PEPP) in the region, which focused on transferring technical expertise for agricultural management, native crop introduction and promotion among indigenous and non-indigenous people, and small farming enterprises among local people. The Peruvian government also provides food emergency support, through the Resettlement Support Program (PAR) and the National Alimentary Support Program (PRONAA). INRENA also carries out some activities in the region, including issuing grants and monitoring compliance for timber harvest contracts (for which it contracts much of the work to PROCAM). Local government agencies are also supportive of the Project's goals, with the Municipality of Rio Tambo supporting nursery development for reforestation, and local educational boards working with PROCAM on environmental education targeted at local teachers.

Existing NGOs and private entities in the region also have managed various projects that support, and may coordinate with, the proposed Project. Among these projects are: training provided by the local NGO CIPA for small agricultural producers on issues related to obtaining credit, managing loans, and developing the basic infrastructure for communal industries; training by the local NGO ACPC in community forest management and demarcation of communal forest boundaries; legal advisory work by the local NGO CAAAP on land defense issues; provision of forest seedlings for reforestation projects from the Satipa Reforestation Committee; and food emergency programs carried out by CARITAS (Catholic Church charity).

Finally, PROCAM and Agro-Accion are currently carrying out an "Environmental Conservation and Sustainable Development Indigenous Program" (PICMADS) in 6 Ashaninka communities within the Project area (in the Perene River and Tambo River valleys). Under this program, activities leading to sustainable exploitation of forest resources are conducted (including reforestation and agro-forestry), as well as human resource training on natural resource management, research on the medicinal properties of native plants, and the development of participatory resource management activities in Ashaninka communities. The results of this program have made clear the importance of an integrated conservation and development approach in the Project area, and have been incorporated throughout the proposed GEF medium size project. In particular, the proponents will build on their work in strengthening local people's organizations and tapping into the expertise of local inhabitants in order to implement changes with long-term viability.

Throughout the course of the project's development and implementation, proponents will coordinate with and monitor the activities of two related projects: the existing World Bank/GEF project "Peru: Indigenous Management of Protected Areas in the Amazon" and to the proposed UNDP/GEF project "Conservation and Sustainable Use of Biodiversity in the Amarakaeri Communal Reserve and Adjoining Indigenous Lands" (see Annexes 5 & 6). All three projects address indigenous-managed biodiversity conservation in the Peruvian Amazon, although with different geographic areas, cultural groups, and strategies. The World Bank project is specifically intended to support the development and management of protected areas by INRENA; the Amarakaeri project is a model for indigenous management of a significant ecotourism program and the establishment of Peru's first communal reserve; and the Ashaninka project is a model for the management of forest resources on indigenous title lands, and the establishment of coordinated management of a forest reserve zone and a buffer zone of indigenous titled lands.

By supporting all of these projects, the GEF will provide *several distinct models* for indigenous

resource management and biodiversity conservation. In each case, best practices and models will be established that can and will be disseminated to other projects and programs in Peru and elsewhere. The differences between these projects ensure that the lessons learned will be of a much wider variety than possible with any one project, and will reflect the variety of conservation and development challenges in the Amazon region and other areas of high biodiversity and significant indigenous populations.

C. Direct Threats to Biodiversity

- Forest clearance for farming activities by settlers.
- Unsustainable extraction of valuable timber species in forests, particularly on lands owned by native communities.
- Intensive exploitation of non-timber forest products such as cat's claw (*Uncaria tomentosa*), sangre de grado (*Croton lechieri*), and orchids, and exploitation and hunting of local fauna species (including some endangered and endemic species).
- Pollution and aquatic habitat degradation from mining, intensive use of pesticides, and soil runoff from timber extraction activities.

D. Root Causes of Threats to Biodiversity

- Construction of roads leading to previously isolated forest areas, allowing influxes of settlers and development of timber and mining activities.
- Inadequate boundary demarcation, unclear ownership rights, and insufficient management regime for public forestlands.
- Inadequate delineation of boundaries and property rights on indigenous titled lands.
- Inadequate community & multi-community resource management capacity among indigenous people.
- Insufficient understanding among settlers and resource extractors of environmental characteristics and limits of local ecosystem sustainability.
- Insufficient economic opportunities for indigenous people and other inhabitants in and around the Project area.

10. A Description of Project Objective/Purpose/Outcomes/Activities to Achieve Outcomes:

Project Objective

To protect globally significant biodiversity on Ashaninka titled lands and bordering public forestlands by relieving economic pressure and preventing land settlement and other destructive activities.

Project Purpose

By the end of the project, biodiversity will be conserved through a partnership between government and Ashaninka communities in public forestlands. In titled indigenous lands bordering public forestlands, the Ashaninka people will be sustainably managing community forests and conserving and maintaining traditional knowledge of biodiversity.

Expected Outcomes

O1. Biodiversity conserved and natural resources efficiently and sustainably managed in Ashaninka titled lands; By the end of the third year, 146 native communities will have begun directly protecting and managing 469,000 hectares of Amazonian forests and other lands.

O2. Biodiversity conserved in public forestlands given special management designation (protected areas or communal reserves). By the end of the 2nd year, approximately 300,000 hectares of public forestlands will have been given special management designation; and a cooperative management regime between Ashaninka communities and INRENA will have been developed and implemented for these specially managed lands.

O3. Agroforestry Systems diversified and enlarged in community forests. By the end of the third year, 2,000 households spread throughout the 146 Ashaninka communities will have begun agroforestry production on a total of 6,000 hectares (3 hectares per household). The remaining 4,000 households in the Project area will have initiated the process of converting land plots into agroforestry systems on a total of 12,000 hectares, based on training and advice they will receive from agroforestry outreach specialists and from members of the initial 2,000 households.

O4. Completed technical training in environmental management for local communities. By the end of the third year, 6,000 indigenous households belonging to 146 native communities will have enhanced their environment management capabilities by completing systematic human resource training and education programs, including courses, workshops, field training, and technical advice to households. In addition, local communities of colonists within the Project area will receive environmental outreach and education programs.

O5. Community and multi-community sustainable management mechanisms created. By the end of the third year, 146 communities will have enhanced their organizational level by participating in the establishment of sustainable Management Committees with the capacity for carrying out resource management operational plans and consolidating lands at both the legal and administrative levels. Multi-community management committees and plans will also be established where appropriate (although no overall Project area management plan or organization will be created).

O6. Creation of a sustainable base for ongoing conservation management activities. By the end of the third year, conservation financing strategies, with the support of local authorities, will have been completed that can contribute to a viable economic base for indigenous communities and assist in meeting the recurrent costs of activities related to the management and enforcement of sustainable use and conservation of biodiversity.

11. Planned activities to achieve expected outcomes

1. Conduct a study of forest resource conditions within community reserves and expand current reforestation activities (PICMADS project) in these areas (*Outcome 1*).
2. Conduct baseline studies of biodiversity in Ashaninka titled lands and public forestlands (*Outcomes 1 & 2*).
3. Conduct analyses of current land use and legal ownership of lands in public forestland areas (*Outcome 2*).
4. Secure special management status for public forestlands, in the form of a protection area, a national park or sanctuary, or an Ashaninka communal reserve (*Outcome 2*).
5. Collect and study samples of species for potential use in agroforestry, targeting species with

nutritional, medicinal, or timber values and of native origin (creating further incentives to preserve native biodiversity and historical knowledge of such biodiversity, and reducing potential impacts of exotic species) (*Outcome 3*)

6. Establish agroforestry nurseries for native species, and select and train participating families and special promoters (community members trained to reach out to and support other community members) in agroforestry practices (*Outcome 3*).
7. Conduct a participatory assessment of beneficiaries' learning needs, and formulate an education and training program on biodiversity conservation and forest management (including sustainable timber harvesting, reforestation, and agroforestry) (*Outcome 4*).
8. Train native community households, special promoters, and rural teachers in biodiversity conservation and forest management, using short modular courses and workshops, and technical advice in farms (*Outcome 4*).
9. Assess current organizational structures and capabilities, and conduct coordination and consultations with community authorities and local populations on actions to be carried out (*Outcome 5*).
10. Establish agreements for data, supplies, technical support and training between forest reserve committees, producer family groups, and other community authorities on the one hand, and resource management agencies, tree nurseries, technical advisors and other specialized organisations and institutions on the other hand (*Outcome 5*).
11. Develop and implement Management & Conservation Plans in 50 communities (162,004 hectares), begin formulating Management & Conservation Plans in another 96 communities (163,998 hectares), and develop and implement Multi-Community Management & Conservation Plans (*Outcome 5*).
12. Using species identified in Activity 5, and building on existing work in the PICMADS Project, select species that may have potential to generate market income, conduct technical and economic studies on the possibility of sustainable management and viable economic exploitation of these products, and develop markets for sale of these products (Outcomes 3 & 6).
13. Establish agricultural and agro-forestry (including coffee and timber production) income-generating projects that will provide 1) income to indigenous groups, part of which will be used for local management of community reserves, and 2) incentives to indigenous groups to decline unsustainable timber concessions on community reserves (Outcome 3 & 6).
14. Work with local stakeholders, including Provincial, District, and Municipal authorities (e.g. the Rio Tambo Municipality, currently managed by the Ashaninka), to develop a participatory agreement strategy for long-term financial support of the Project goals (Outcome 6).
15. Establish a mechanism for formal information sharing with other GEF indigenous-managed conservation project in the Peruvian Amazon (see Annex 6). This information sharing and capacity building mechanism will also coordinate dissemination of results from all relevant projects to INRENA and other appropriate institutions and non-governmental organizations (Outcome 6).

12. Stakeholders Involved in the Project:

National/International

PROCAM (Peruvian NGO): Will manage project implementation and provide training, specialized

technical advice, and capacity building assistance for local institutions and communities.

Agro Action (German NGO): Will manage project implementation and provide training, specialized technical advice, and capacity building assistance for local institutions and communities.

FANPE (GTZ Project): Will provide technical support and training programs.

German Services for Technical and Social Cooperation – DED: Will provide technical resources and professional volunteers to assist in forest management activities.

Peruvian National Institute of Natural Resources (INRENA): Will provide survey and research information and technical data.

Peruvian Ministry of Agriculture: Will provide survey and research information and technical data.

Local/Regional

INRENA – Satipo office: Will provide survey and research information and technical data.

Río Tambo Municipality: Will provide support in community relations and communication with local populations.

Río Tambo Educational Area: Will provide assistance with environmental education activities.

Reforestation Committee of Satipo: Will provide tree seedlings from nurseries for agroforestry activities.

Ashaninka Communities at Satipo, Perené, and Tambo Valleys: Will provide knowledge and experience with local ecosystems and natural resource management, as well as in-kind labor contributions.



13-14. Activities and Outputs (Deliverables) to be Financed by the PDF:

- **Activity 1:** Gathering, analysis, and systematization of existing information/documentation.
- **Activity 2:** Consultation process with local inhabitants, public and private agencies, and other stakeholders.
- **Activity 3:** Elaborate a strategy for consensus and partnerships for cooperation among social and institutional actors to efficiently implement the GEF Medium Size Project.
- **Activity 4:** Determine future management status of public forestlands.
- **Activity 5:** GEF Project Formulation.
- **Activity 6:** Development of monitoring and evaluation plan.

(See Annex 4 for details on PDF A Activities, Outputs, and Timeframes.)

15. Other contributors/donors and amounts:

Agro-Accion Alemana

\$12,000 for PDF A

\$324,464 for Medium Size Project

Agro-Accion will receive funds from FANPE, a program of the German aid agency GTZ focused on creating and strengthening protected areas, as well as forestry practices and forest certification, and from DED, a German volunteer service that provides technical expertise on development and conservation projects.

16. Medium Size Project budget and PDF A budget:	
a. Total Estimated Medium Size Project budget	
GEF	\$780,000
<u>Co-Financing</u>	<u>\$324,464</u>
TOTAL	\$1,104,464

b. Total PDF A Budget		
Description	GEF	AgroAccion/ PROCAM
Biodiversity and land management baseline study	3,000	1,000
Socio-economic baseline study		3,000
Participatory workshops for local communities & public/private institutions	3,500	2,500
Recommendation for community-based approach for biodiversity management in Ashaninka lands	1,500	
Stakeholder participation agreement/plan	3,000	2,000
Recommendation for management regime for public forestlands	3,000	500
Preparation of project brief	9,000	2,000
Monitoring & evaluation plan	1,000	1,000
BUDGET TOTAL	24,000	12,000

The German development agency GTZ-FANPE will also provide in-kind support in the form of logistical functions and volunteers with technical expertise.



17. Name of Project Proponents:

PROCAM (Amazonian Promotion and Training Team – a Peruvian NGO)
 AGRO-Accion–DWHH (German NGO)

18. Date of Establishment/Membership/Leadership:

PROCAM (Amazonian Promotion and Training Team) was founded on July 12th, 1989, and is recognized by law as a Peruvian NGO in the public registry of civil associations. It is governed by an Associate Assembly and a Board of Directors; it also has an advisory scientific committee. PROCAM’s staff of professionals and associates combine a variety of specialties, and have worked with a number of international aid agencies on projects in the Central Peruvian Amazonia, including work with indigenous communities (Ashaninka, Nomatsiguenga, Yanesha) to implement programs and projects focusing on natural resource sustainable management, institutional management, and human resource education and training. Currently, PROCAM is implementing the PICMADS Project, with the cooperation of German Agro Accion, FANPE (GTZ Project), and German Services for Technical and Social Cooperation – DED.

AGRO-Accion was founded on 1962. The organisation works under the leadership of an honorary board and under the patronage of the Federal German President. The staff in Germany and abroad ensure professional, efficient assistance and implementation of the projects, especially in the areas of rural development and food security, water supply, emergency aid, rehabilitation and the promotion of small enterprises.

19. Mandate/Terms of Reference:

PROCAM is a nonprofit civil association that carries out programs and projects focusing on biodiversity resource sustainable development and management, while emphasizing its relationship to local native peoples as they are implemented. PROCAM has a broad expertise on resource community management. PROCAM headquarters are located in the city of Satipo and holds a close relationship with educational institutions and indigenous organizations not only in the Amazonia but all over Peru.

AGRO-Accion is a non-governmental organisation engaged in worldwide development cooperation. It orients its work on the guiding principle of selfhelp to enable people to achieve food security through their own efforts. It supports development, human rights, the environment and rural development, and in particular the increase of agriculture yields, with the aim of achieving freedom from hunger and freedom for people.

20. Sources of Revenue:

PROCAM and AGRO-Accion activities are currently supported by the German aid agency GTZ (through the FANPE program), and the German Service of Technical Social Cooperation (DED). In addition, PROCAM was funded in 1995-96 by the Dutch NGO Solidarity of Netherlands for efforts to organize indigenous leaders, by the Dutch NGO Wild Goose to provide training for indigenous peoples in marketing coffee and fruits, and by the International Union for the Conservation of Nature (IUCN) in 1996-97 for efforts to develop two protected areas (Rio Tambo and El Sira).

21. Recent Activities/Programs relevant to GEF:

PROCAM is currently carrying out the "Environment Conservation and Sustainable Development Indigenous Program" in 6 communities within the Project area. Under said program, activities leading to forest natural resource sustainable exploitation are conducted, as well as human resource training on natural resource management, research on native plant medicinal properties, and the development of participatory resource management activities in Ashaninka communities.

AGRO-Accion has undertaken several projects involving environmental conservation and community management throughout Peru. Among these activities were projects on: Natural Resource Management and Alimentary Security in Low Jungle Rural Localities Project (Momón River, Peru), Amazonian tropical resource sustainable management benefiting households by the Momón River (Department of Loreto), and Agroecological System Implementation in Farms Project (Department of Huánuco).



22. Project identification number: 1869

23. Implementing Agency contact persons:

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24. Project linkage to Implementing Agency program(s):

The proposed project complements the current Country Cooperation Framework: 1997-2000 (CCF), both thematically, and with respect to executing arrangements. Under the CCF, UNDP has agreed to assist Peru in meeting commitments arising out of various international agreements, including the

Convention on Biological Diversity (CBD). Moreover, the CCF proposes “support for the environment and natural resources conservation” as a specific programming area for UNDP support. The framework also supports projects that combat deforestation and improve the management of water and soil resources. Finally, the CCF encourages increased participation by grass-roots community organisations and non-governmental organisations (NGOs) in the execution of projects carried out with assistance of UNDP.

The proposed project is complementary to the existing World Bank/GEF project “Peru: Indigenous Management of Protected Areas in the Amazon” and to the proposed UNDP/GEF project “Conservation and Sustainable Use of Biodiversity in the Amarakaeri Communal Reserve and Adjoining Indigenous Lands” (currently awaiting revision by the GEF Secretariat). The rationale for GEF support of this project in addition to the two aforementioned projects, and explanations of the linkages and synergies between all three projects, is detailed in Annexes 5 & 6.

**ANNEX 1
MAPS**

Map 1: Map of Peru with Ashaninka Project Area highlighted
Attached Computer File: Ashaninka Focal Letter and Map (p. 2)

Map 2: Ashaninka Project Area and Surroundings (see attached file)
Attached Computer File: Ashaninka Project Area Map (p. 1)

ANNEX 2
FOCAL POINT ENDORSEMENT LETTER

See Attached Computer File: Ashaninka Focal Letter and Map (p. 1)

ANNEX 3
ENDANGERED SPECIES OF THE PROJECT AREA

MAMMALS

Sloths	2 species (<i>Choloepus</i> sp. y <i>Bradypus</i> sp.)
Armadillos	2 species (<i>Dasyopus</i> sp. y <i>Cabassous</i> sp.)
Ant bear	<i>Tamandua tetradactyla</i>
Spectacled bear	<i>Tremarctos ornatus</i>
Jaguar	<i>Panthera onca</i>
Ocelot	<i>Felis pardalis</i>
Margay	<i>Felis wiedii</i>
Primates	4 species (<i>Lagothrix</i> , <i>Ateles</i> , <i>Aotus</i> , <i>Saguinus</i>)
Cuica de agua	<i>Chironectes minimus</i>
Pudú	<i>Pudu mephistophiles</i>
Pacarana	<i>Dinomys branickii</i>

BIRDS

Harpy eagle	<i>Hapya harpija</i>
Crested eagle	<i>Oroaetus isidori</i>
Hummingbirds	30 species
Andean Toucans	<i>Andigena</i> spp. (2 species)
Green Tucaneta	<i>Aulacorhynchus</i> spp.
Toucan	<i>Rhamphastos</i> spp. (2 species)
King Vulture	<i>Sarcorhamphus papa</i>

REPTILES

White caiman	<i>Caiman crocodylus</i>
Boa	<i>Boa constrictor</i>

AMPHIBIANS

Approximately 40 species in the cloud forest

PLANTS

Orchids	About 200 species of which 12 are endemic
Ulcumano	<i>Podocarpus</i> spp. (3 species)
Nogal	<i>Juglans neotropica</i>
Cedar	<i>Cedrela odorata</i> and <i>C. montana</i> (relicto)
Bromeliads	About 30 species

ANNEX 4: PDF-A Work Plan

Activity	Output	Months				
		1	2	3	4	5
Activity 1: <i>Gathering, analysis, and systematization of existing information/documentation</i>	Assessments for use in developing brief					
1.1 Conduct review of existing reports, evaluations, assessments of biodiversity, property, and other relevant issues in the Project area.	Biodiversity and land management baseline study					
1.2 Consult with the Ministry of Agriculture, INRENA, Pichis - Palcazú Special Project, CONAM, specialized NGOs.	Information on existing programs in refuge areas; involvement of key stakeholders.					
1.3 Gather and assess existing information on the socio-economic situation in local communities through participatory diagnosis workshops.	Socio-economic baseline data					
1.4 Assessment of existing laws and policies; analysis of how to improve existing system w/respect to the project's overall purpose -- conservation of biodiversity at the landscape level.	Written assessment and analysis.					
1.5 Interviews with specialists and experts	Interview dossier					
1.6 Preliminary organization of a specialized documentary fund	Bibliographic/journal documentary fund					
1.7 Data systematization and processing	Database organization					
1.8 Elaboration of document of recommendations	Document of recommendations					
Activity 2: <i>Consultation process with local inhabitants, public and private agencies, and other stakeholders</i>	Stakeholders consulted, pre-agreements signed with key local stakeholders.					
2.1 Conduct Participatory Workshops with involved inhabitants and communities	Workshop briefs					
2.2 Conduct Participatory Workshops with specialized public/private institutions and entities	Workshop briefs					
2.3 Preliminary identification of basic learning needs to conduct an innovative biodiversity management formation and training program for the population	Preliminary assessment of educational needs					
2.4 Investigation of current and potential alternative livelihoods options	Specific recommendations on alternative livelihoods					
2.5 Identify co-financing sources for livelihood activities.	List of co-funding organizations					

<p>Activity 3: Design a consensus and partnership strategy to support social and institutional stakeholders in the efficient execution of Medium Size Project</p>	<p>Document of strategic guidelines</p>
<p>3.1 Identify main social and institutional stakeholders in the project area</p>	<p>Directory of social and institutional stakeholders</p>
<p>3.2 Assess institutional framework of public/private organizations and entities in the project area</p>	<p>Institutional framework assessment</p>
<p>3.3 Conduct Workshops to establish consensus strategic guidelines.</p>	<p>Workshops briefs</p>
<p>3.4 Draft a document of consensus strategy guidelines.</p>	<p>Strategy guidelines</p>
<p>Activity 4: Determine future management status of public forestlands</p>	
<p>4.1 Define target boundaries and assess current land uses on public forestlands under consideration for protection status</p>	<p>Report on land uses and potential boundaries for protected areas</p>
<p>4.2 Investigate possibility of creating systems for licensing and/or measuring sustainable harvests of flora & fauna</p>	<p>Assessment of feasibility and impacts of harvests of flora & fauna</p>
<p>4.3 Work with Peruvian government and Ashaninka councils to investigate options for management regime(s), including: transferring title to indigenous groups as a Communal Reserve; establishing other forms of protected areas (e.g. national park or sanctuary)</p>	<p>Agreement between Ashaninka communities and government agencies on form of new protected area(s)</p>
<p>Activity 5: GEF Project Formulation A full proposal for GEF funding will be prepared, based on Activities 1-4.</p>	<p>1) Sustainable development co-financing; 2) Finished Project brief</p>
<p>5.1 Development of logical framework for project.</p>	<p>Identification of threats, potential actions, and project scope.</p>
<p>5.2 Preparation of draft Project Brief and review by stakeholders.</p>	<p>Comments on Medium Size Project draft incorporated</p>
<p>5.3 Circulate medium size project brief to GEF Secretariat for review. Address comments made by GEF Secretariat</p>	<p>Medium Size Proposal ready to be presented to the GEF</p>
<p>Activity 6: Develop a Monitoring and Evaluation Plan</p>	<p>Document on Monitoring Evaluation Plan</p>
<p>6.1 Identify and design impact and output indicators for the M&E Plan.</p>	<p>Indicator matrix</p>
<p>6.2 Elaborate a proposal for the M&E Plan</p>	<p>Document on M&E Plan organization and implementation.</p>
<p>6.3 Draft a document of specific recommendations</p>	<p>Document of Recommendations</p>

ANNEX 5: SUPPORTING MEMO SUBMITTED TO GEFSEC ON MARCH 1, 2001

Clarification regarding GEF supported biodiversity initiatives in the Peruvian Amazon

Overview

The following note provides a summary overview of GEF financed operations in the Peruvian Amazon. It has been prepared with inputs from both the WB and UNDP Regional GEF Coordinators, the WB in-country Environment Sector Leader, the UNDP Country Office and corresponding project counterparts. It is intended to clarify GEFSec concerns over geographic and thematic overlap as well as provide a rationale for the complementarity and programmatic benefits of both initiatives.

The approved World Bank/GEF Project refers to a full-scale initiative (US\$24 million – GEF financing US\$ 10 million): “*Peru: Indigenous Management of Protected Areas in the Amazon*”. The UNDP/GEF initiative corresponds to a PDF A request entitled “*Conservation and Sustainable Use of Biodiversity by Ashaninka indigenous people in Central Peruvian Amazonia*” currently pending GEFSec approval after clarification of complementarities and absence of overlap.

While both projects are designed to incorporate indigenous groups in the Peruvian Amazon in the development and management of protected areas, it is important to note that they differ in many important respects, including geographic location, project scope and scale, *and biodiversity*, and the involvement of indigenous groups. By supporting both projects, GEF will provide two distinct models for biodiversity conservation in the Amazon, and the best practices from each can be combined as similar initiatives are developed in the future.

Summary of World Bank Project

The World Bank Project intends to establish five new protected areas in the Peruvian Amazon (Zona Reservada Santiago-Comaina, Zona Reservada Gueppi, Reserva Nacional Pacaya Samiria, Zona Reservada Alto Purus, and El Sira). These protected areas will be developed and managed jointly by INRENA (the Peruvian National System of Protected Areas) and local indigenous groups residing in each area. The project will focus on the establishment and management of protected areas, capacity building for indigenous communities, and as yet to be determined sustainable economic development activities *within* protected areas. This project has a 5-year duration and the proponent is INRENA.

Summary of UNDP MSP Project

The UNDP MSP-PDF A initiative is designed to establish one new protected area in the Peruvian Amazon, located in the Yungas ecoregion of the eastern slope of the Andes in central Peru working directly on indigenous titled lands and in adjacent buffer areas settled by migrant farmers. The project will establish and manage the protected area, develop capacity building activities required by indigenous communities for PA management, and develop and demonstrate sustainable agroforestry systems for 6,000 indigenous households. The project is a 3-year initiative, and the project proponent is a team of local and international NGOs working closely with the relevant indigenous communities (PROCAM - Amazonian Promotion and Training Team, and AGRO Accion - DWHH).

Summary of Critical Differences between the Two Projects

1. Geographic Location

The WB Project encompasses five areas in different parts of the Peruvian Amazon. The UNDP project is located on lands within and bordering the Ashaninka indigenous titled lands, situated in the Provinces of Chanchamayo and Satipo and distant from any of the areas in the WB Project. In addition, the Ashaninka lands act as a crucial link in an ecological corridor connecting the existing Pui-Pui Protected Forest (60,000 hectares), the San Matías-San Carlos Protected Forest (145,813 hectares), and the proposed Apurimac Reserve Zone (1,669,300 hectares), none of which is receiving

GEF funding. Thus, by connecting three protected areas, protection of the Ashaninka lands will ensure significant global biodiversity benefits.

2. Project Scope

The WB project is specifically intended to support the development and management of protected areas. As the World Bank Project document states (Paragraph 29): “A second option considered and rejected was to support sustainable use of biodiversity outside protected areas (whether within the National System or under titled lands). This option was rejected because of its inherent weaknesses related to the lack of clear land-use rules and tenure.” The UNDP project, on the other hand, will work both within the boundaries of a 300,000 hectare protected area to be created by this project and on adjoining indigenous titled lands (469,000 hectares).

3. Project Participation by Indigenous Communities

- A. **Project Development and Management:** The WB Project is being coordinated by a government body. As the World Bank Project document states (Paragraph 22): “The project will be coordinated by a Project Coordination Unit (PCU) based in INRENA”. The UNDP MSP Project will be executed and implemented by two NGOs with decades of experience working directly with the relevant indigenous group. In addition, indigenous involvement in site selection and project design in the WB project has been carried out by national confederations of indigenous groups (Paragraph 21), whereas these same functions have been executed at the local community level in the UNDP PDF A initiative.
- B. **Management Responsibility for Protected Areas:** The WB project considers the *participation* of indigenous people in the management of protected areas, with the approval and guidance of INRENA. As the WB Project document states (Paragraph 7): “This GEF grant seeks to ensure a meaningful level of participation in their management by local indigenous communities.” The UNDP project, on the other hand, will put all management responsibility for protected areas and indigenous lands solely in the hands of indigenous people, without the intermediation of any government bodies.
- C. **Capacity Building:** The WB project will focus on training indigenous communities in the design and management of protected areas, as well as developing yet to be identified sustainable economic activities within them. The UNDP Project will create indigenous capacity to fully manage a protected area, while putting equal emphasis on specific sustainable agroforestry demonstrations in the buffer zone.

Value-Added from Supporting Both Projects

By supporting two different projects for indigenous communities involvement in the management of protected areas, GEF will provide important comparative information and evidence of best practices for these projects as they develop, and for future projects throughout Peru and elsewhere.

ANNEX 6: SUPPORTING MEMO SUBMITTED TO GEFSEC ON JULY 16, 2001

Clarification Regarding Proposed UNDP-GEF Supported Biodiversity Initiatives in the Peruvian Amazon

Overview

This note provides an explanation for providing GEF funding for two projects in the Peruvian Amazon: the UNDP/GEF initiative entitled "*Conservation and Sustainable Use of Biodiversity by Ashaninka indigenous people in Central Peruvian Amazonia*", and the UNDP/GEF initiative entitled "*Conservation and Sustainable Use of Biodiversity in the Amarakaeri Communal Reserve and Adjoining Indigenous Lands*". The Ashaninka project is currently a PDF-A Proposal waiting approval from the GEF Secretariat. The Amarakaeri project is currently a MSP Brief (developed using PDF-A funds) waiting approval from the GEF Secretariat.

This note has been prepared with inputs from the UNDP Regional GEF Coordinator, the UNDP Country Office, and the UNDP/GEF Project Consultant for both projects. It is intended to clarify GEFSec concerns over geographic and thematic overlap, as well as provide a rationale for the complementarity and programmatic benefits of both initiatives.

As noted in a memo sent to and reviewed by the GEF Secretariat in March 2001, these projects are substantively different from the approved World Bank/GEF Project: "*Peru: Indigenous Management of Protected Areas in the Amazon*". Appropriate reference to the World Bank project, and to each of these projects, will be made in each of these project briefs where needed.

Summary of Amarakaeri Project

The Amarakaeri project is designed to create sustainable economic alternatives for the indigenous Amarakaeri tribe, based on an extensive ecotourism program and other alternative livelihood measures (e.g. natural medicines). The project also will strengthen management of an existing communal reserve on Amarakaeri lands, and document and conserve traditional land and resource management knowledge.

Summary of Ashaninka Project

The **Ashaninka project** is designed to promote forest management activities directly on indigenous titled lands, including sustainable agroforestry systems for 6,000 indigenous households. The project also will establish some form of protection regime on bordering public forestlands, and to promote environmental consciousness and management capacity in adjacent buffer areas settled by migrant farmers.

Why Combining the Projects is not Feasible

1. **Geography:** The two project areas are approximately 600 kilometers apart. In addition, both areas are located in remote regions with extremely little infrastructure and communications, and travel between the two areas would require going from the Peruvian Amazon through Lima and back to the Amazon.
2. **Culture:** These are two completely different indigenous groups, with no history at all of interaction. Both groups have a strong tradition of local control of resources and decision making, and both have a strong sense of ownership of the projects as they have been developed thus far. Most of the project participants (local stakeholders) also do not speak Spanish, and speak instead local languages which are not similar.

Why Each Project has Distinct Value

1. Objectives

- **Amarakaeri:** This project is a model for indigenous management of a significant ecotourism program (with the potential to rival the Manu Biosphere Reserve, Peru's most visited natural area), and the first attempt in Peru at management of a communal reserve.
- **Ashaninka:** This project is a model for the management of forest resources on indigenous title lands, and the establishment of coordinated management of a forest reserve zone and a buffer zone of indigenous titled lands.

2. Capacity Building

- **Amarakaeri:** This project will focus on training indigenous communities in the design and management of ecotourism and natural medicine programs, and in strengthening their capacity to manage protected areas.
- **Ashaninka:** This project will create indigenous capacity to sustainably manage forest resources, including sustainable agroforestry activities.

3. Stakeholders

- **Amarakaeri:** This project will work exclusively with indigenous communities, providing the first opportunity in Peru to assess indigenous capacity to design and implement a significant conservation and development project.
- **Ashaninka:** This project will work with both indigenous and migrant communities, providing a potential model for cooperative ecosystem management and resource control between these stakeholders.

4. Social & Ecological Conditions

- **Amarakaeri:** This project will take place in an almost pristine area that currently retains approximately 98% of its original forest cover. The project will provide a model for management and protection of resources by indigenous groups in extremely remote areas where outside pressures are few and cooperative management among local peoples is the key success factor.
- **Ashaninka:** This project will take place in a heavily impacted area that where less than 30% of the original forest cover remains. The project will provide a model for establishing effective indigenous capacity to manage forest resources, and to effectively protect these resources from severe pressure from migrant populations.

5. Ecological Impact

- **Biodiversity:** Although both projects are located in the Peruvian Amazon, Peru is one of the five countries globally with the highest biodiversity (and this biodiversity is concentrated in the Amazon region), and thus each project will protect globally important (and in some cases unique) biodiversity resources.
- **Amarakaeri** (Ecoregion 31 - Humid Forests of the Southwestern Amazon, and Ecoregion 51 - Peruvian Yungas), is the less studied of the two areas, but is known to contain at least 41 endangered species of fauna.
- **Ashaninka** (Ecoregion 51 - Peruvian Yungas) harbors at least five species of orchids that exist nowhere else in the world and are currently in danger of extinction, spectacled bear, as well as at least 45 endangered species of fauna and 50 of flora.
- **Ecological Corridors:** Implementation of both projects in each case will protect far more than the project areas themselves, as both serve as important ecological corridors for other areas. The **Amarakaeri** project area connects four existing protected areas: the Purus

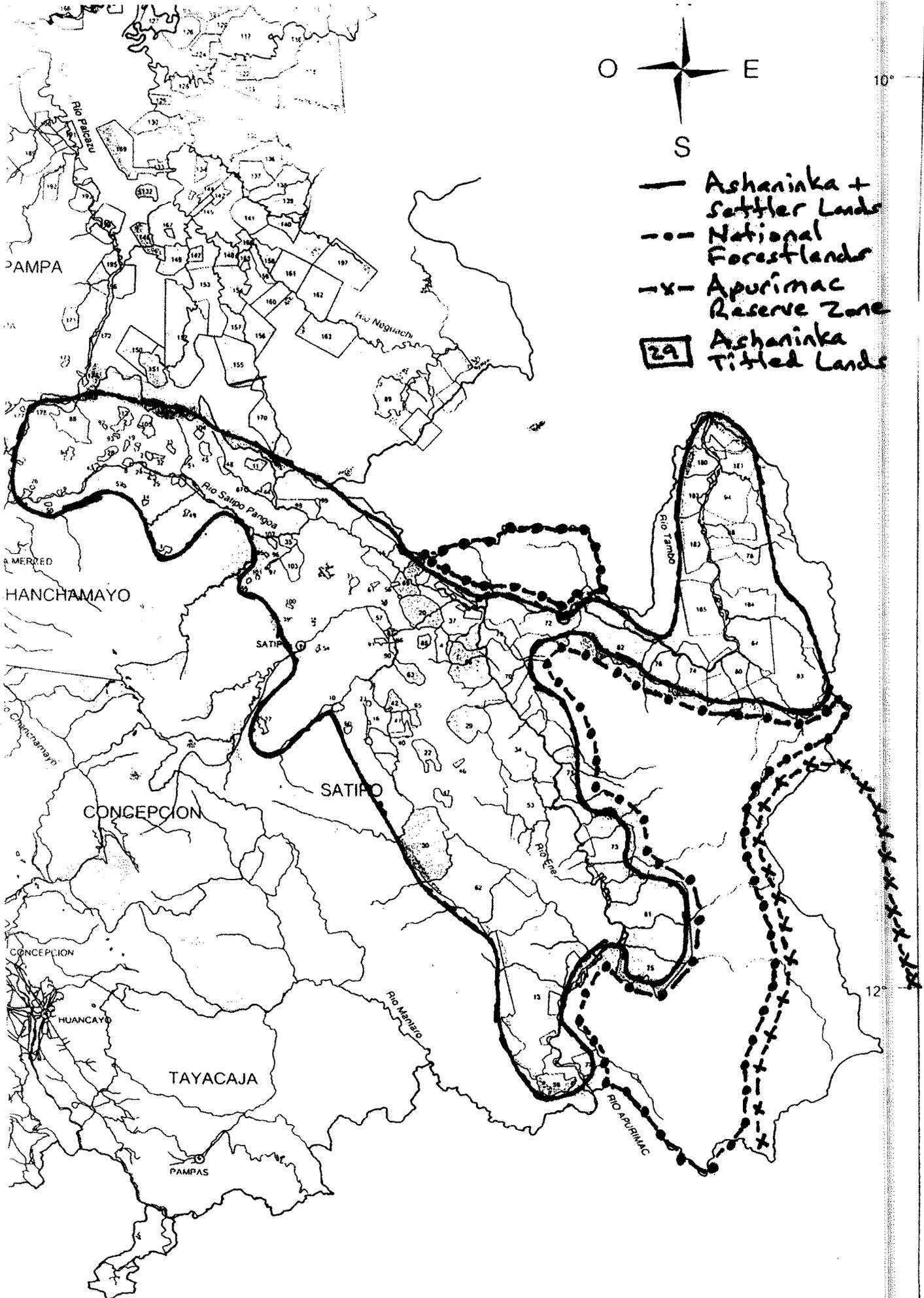
Reserved Area (5,101,945 hectares), the Manu National Park (1,532,806 hectares), the Bahuaja-Sonene National Park (537,503 hectares), and the Tambopata National Reserve (254,358 hectares). The **Ashaninka** project area also connects four protected areas: the Pui-Pui Protected Forest (60,000 hectares), the San Matías-San Carlos Protected Forest (145,813 hectares), the newly established (June 2001) El Sira Communal Reserve (616,413 hectares), and the proposed Apurimac Reserve Zone (1,669,300 hectares). None of these areas is receiving GEF funding.

Conclusions & Ideas for Moving Forward

By supporting both of these projects, GEF will provide *two distinct models* for indigenous resource management and biodiversity conservation. In each case, best practices and models will be established that can and will be disseminated to other projects and programs in Peru and elsewhere. The differences between these two projects ensure that the lessons learned will be of a much wider variety than possible with any one project, and will reflect the variety of conservation and development challenges in the Amazon region and other areas of high biodiversity and significant indigenous populations. In addition, the geographic distance between these projects (and the World Bank project farther north) means that lessons learned by supporting all of these projects will be disseminated on a far wider basis and to many more local partners (in part because INRENA, the National Institute of Natural Resources, does not have a history of or capacity to share best practices at a national level). Finally, support for both projects simultaneously will provide important comparative information and benchmarking of results.

To further address GEFSec concerns regarding the overall GEF portfolio for biodiversity conservation in the Peruvian Amazon, project proponents for both projects have agreed to a strategy of establishing a mechanism for formal information sharing between their projects and that of the World Bank project. Both UNDP-GEF projects would include a component in their project implementation activities to fund and support this information sharing and capacity building mechanism, which would also coordinate dissemination of results from these projects to INRENA and other appropriate institutions and non-governmental organizations.

Finally, it is important to note that significant co-financing resources have been leveraged for both UNDP projects, but that these will not be available indefinitely, hence the urgency to obtain a GEFSec decision. In the case of the **Amarakaeri** project, almost US\$1 million is available as co-financing, including approximately US\$660,000 from a nascent World Wildlife Fund project. This WWF project is currently establishing its geographic and programmatic focus, and is open to cooperation with the proposed GEF project. However, significant further delays in the GEF project will force WWF to establish its own priorities and operational strategies without coordination with the GEF project. In the case of the **Ashaninka** project, the German NGO Agro-Accion Alemana is committed at this time to providing support of approximately US\$325,000 in co-financing directly to the project. However, discussions with Agro-Accion Alemana have confirmed that significant further delays in the GEF project will also seriously jeopardize this co-financing.



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Lima, 05 de enero de 2000

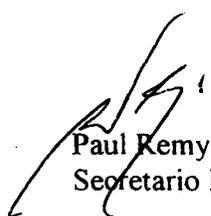
Carta No. 0004-2000-CONAM/SE

Doctora
Kim Bolduc
 Representante residente
 PNUD-Perú
Presente.

Tengo el agrado de dirigirme a usted para expresar el respaldo de CONAM en su condición de punto focal operacional del GEF en el Perú, a la Idea de Proyecto "Conservación de la Biodiversidad y Desarrollo Sostenible en tierras Ashaninka en la Amazonía Central del Perú", presentado por el Equipo de Promoción y Capacitación Amazónica (PROCAM).

Sin otro particular, quedo de usted.

Atentamente,


 Paul Remy
 Secretario Ejecutivo

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