



RESPONSIBLE SOURCING IN THE STATE OF PARÁ AND MATO GROSSO

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**Annual Report
Submitted to
US Agency for International Development**

by

The Nature Conservancy (TNC)

with

**Instituto Centro de Vida (ICV)
Instituto Socioambiental (ISA)**

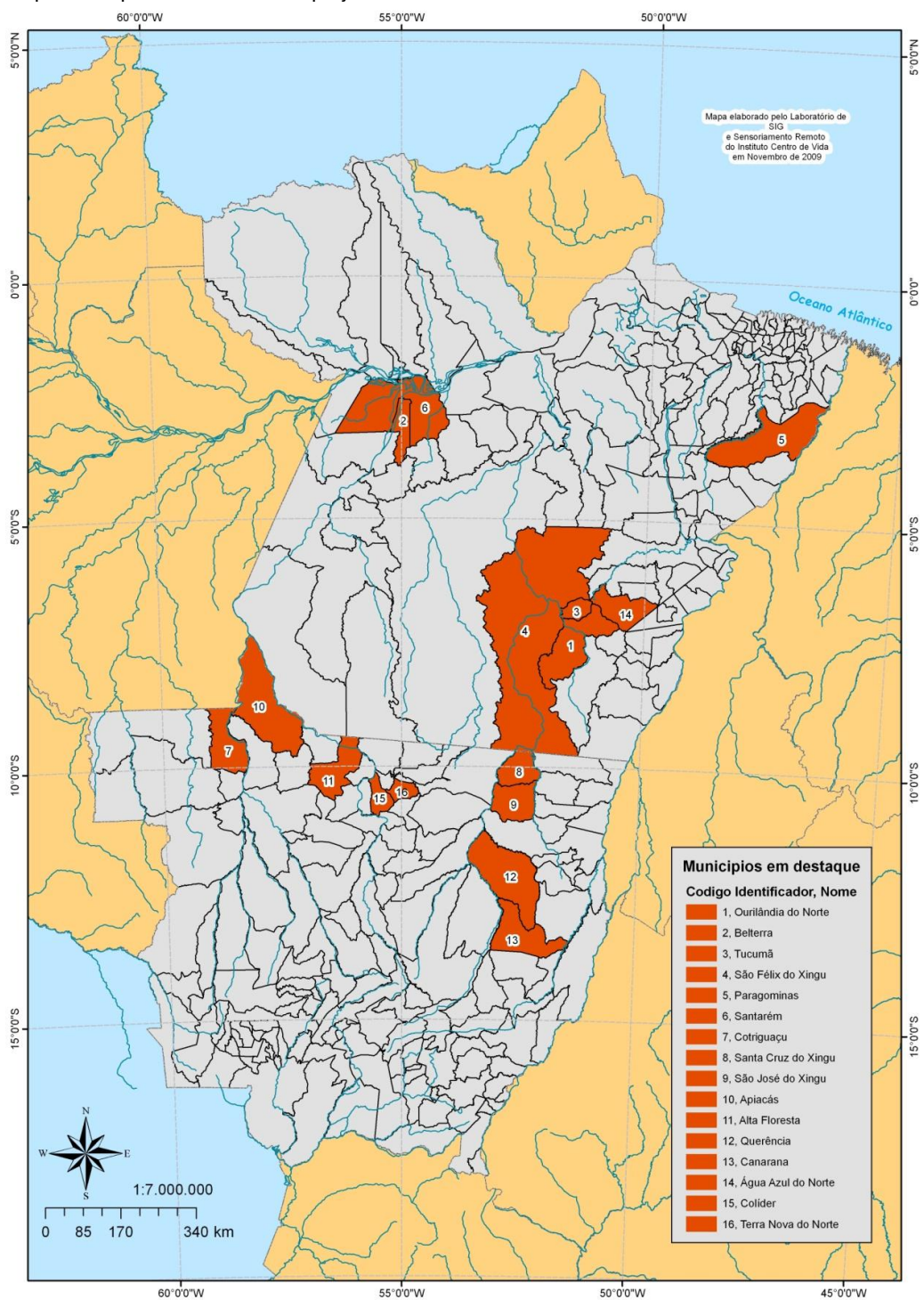
For the period

October 1st, 2009 through September 30th, 2010

ABBREVIATIONS

APP	Área de Preservação Ambiental - Strip of riparian forest with a width of minimal 30 meters that by law needs to be preserved
CAR	Cadastro Ambiental Rural - Georeferenced register of farms, the APPs and Legal Reserves on them
CC	Consultative Council
CONAMA	Conselho Nacional do Meio Ambiente – National Environment Council
CONSEMA	Conselho Estadual do Meio Ambiente – State Environment Council
GC	Grupo de Coordenação – Coordination Group
GIS	Geographical Information System
GTPS	Grupo de Trabalho Pecuária Sustentável - Working Group on Sustainable Ranching
IBGE	Instituto Brasileiro de Geografia e Estatística
ICV	Instituto Centro de Vida
IFC	International Finance Corporation
INCRA	Instituto Nacional de Colonização e Reforma Agrária
INTERMAT	Instituto de Terras de Mato Grosso
ISA	Instituto Socioambiental
ITERPA	Instituto de Terras do Pará
MDA	Ministério de Desenvolvimento Agrário
MMA	Ministério do Meio Ambiente
PPCDQ	Plano de Prevenção e Combate ao Desmatamento e às Queimadas
REDD	Reducing Emissions from Deforestation and Forest Degradation
RTRS	Round Table on Responsible Soy
SAN	Sustainable Agriculture Network
SEMA	Secretaria Estadual de Meio Ambiente
SIMLAM	Sistema Integrado de Monitoramento e Licenciamento Ambiental
TNC	The Nature Conservancy
UFRJ	Universidade Federal de Rio de Janeiro
USP	Universidade de São Paulo

Map: Municipalities in which the project is active



1 Context

1. The project “Responsible Sourcing in the states of Pará and Mato Grosso” seeks to reduce deforestation through promoting the sustainable production of beef and soy and, in the medium term, also of biofuels. The strategy to increase responsible production consist of three componentes: (i) to increase the supply of responsibly produced beef and soy; (ii) to increase the demand for responsibly produced beef and soy; and (iii) to strengthen the regulatory framework, including the capacity of states and municipalities to monitor and control deforestation.
2. “Responsible production” was defined as the production on farms that are in compliance with existing environmental legislation or in the process of obtaining that status, that are registered in the environmental register (CAR) or licensed and therefore regularly monitored.
3. To increase the responsible *production* of beef and soy, the project supports the mapping and registering of farms. Registration includes an evaluation of whether the farm’s forest cover -riparian forest and the legal reserve- is in compliance with the Forestry Code and, if necessary, the preparation of an agreement to rehabilitate degraded riparian forests and to rehabilitate or compensate for degraded legal reserves. Support for increased responsible production of beef and soy also includes the strengthening of registration and licensing systems in the states of Pará and Mato Grosso and the mobilization of support for the creation of public and private credit for responsible production.
4. To increase the *demand* for beef and soy produced in a responsible way, the project supports the negotiation of agreements between farmers, the processing industry and the retail sector. It will also support the participation of partners in round tables and other negotiation fora between representatives of the different links in the supply chain.
5. To strengthen the regulatory framework, the project supports municipalities and the states of Pará and Mato Grosso to improve their environmental policies; to identify, develop and implement economic incentives for the conservation of the forest and with the field testing of criteria agreed in sector negotiations and in round table meetings.
6. The project is jointly implemented by the *Instituto Centro de Vida* (ICV), the *Instituto Sócio-Ambiental* (ISA) and *The Nature Conservancy* (TNC), the latter being the lead agency of the consortium. The *Instituto Centro de Vida* acts mainly in the north-west of the state of Mato Grosso in the municipalities of Apiacás, Alta Floresta, Colider, Cotriguaçu and Terra Nova do Norte. The *Instituto Socioambiental* is focused on the region bordering the indigenous park Xingu, in the municipalities of Canarana, Querência, Santa Cruz do Xingu and São José do Xingu. TNC acts in the state of Pará, in the municipalities of Água Azul do Norte, Belterra, Ourilândia do Norte, Paragominas, Santarém, São Félix do Xingu and Tucumã.
7. The project is coordinated by a “Coordination Group” (GC) consisting of three members: the Project coordinator, a representative of ICV and a representative of ISA.

The GC is assisted by a Consultative Council (CC) which consists of five independent members: Carlos Klink (International Finance Corporation - IFC); Peter May (consultor); Ricardo Abramovay (Universidade de São Paulo -USP); Leonel Mello (Ecosecurities); e Marcelo Vieira (Adecoagro).

2 Critical assumptions

8. The objectives of the project are based on three hypotheses. The most important one is that the Forestry Code is, despite its shortcomings, a good point of departure. The project uses compliance of beef and soy production with the Forestry Code as a practical and conceptual basis for responsible supply.

9. In 2010, a Congress committee drew up a proposal to change the Forestry Code. If approved, there will be changes with respect to the size of the riparian forests that needs to be preserved (APP) and the so-called “Legal Reserve” forest cover. However, the proposed changes would not affect the main concepts and the environmental register, the “Cadastro Ambiental Rural (CAR), the main instrument to promote and monitor compliance of farms with environmental legislation, would, in fact, gain more importance.

10. A second assumption is that this is the right time to involve, on a scale never tried before, interested private sector stakeholders in responsible supply from the Amazon. Politically and culturally this seems a propitious moment for a structured and serious attempt to engage all private sector partners, national and international, in efforts to produce beef and soy in compliance with the Forestry Code, as companies and traders are responding to growing consumer demands for responsible products and as corporate responsibility and transparency gain ever more weight in today’s business culture.

11. The third hypothesis is that in order to guarantee impact it is necessary to work on a scale that involves all links of the supply sector. Inevitably, this involves following economic trails out of the region to São Paulo and southern Brazil and to key destination markets for Amazonian commodities, in particular China and the European Union. It also involves following policy trails into regulatory frameworks, from municipalities within the Amazon to state capitals, Brasilia and even those international forums where decisions with a direct impact on agribusiness in the Amazon are made.

12. Finally, the project is based on the assumption that there exist opportunities to work on responsible sourcing in places and markets that have up until now largely been ignored. Much work can be done to influence domestic markets for Amazonian commodities and export markets usually considered hostile to environmental concerns, such as, for example, China.

3. Results, Products and Significant Achievements

13. Taking into account the preparatory phase of the project, the financial year 2010 consisted, effectively of only 6 months of execution which, obviously, is a very limited period for producing any significant results. Nevertheless, the project achieved, through support for the registration of rural properties, that the municipality of Paragominas was

excluded, by Act 67/10 of 12 April de 2010, from the list of municipalities with the highest deforestation rates.

14. This list was published in accordance with Decree nº. 6.321/2007 which established that municipalities included would be thoroughly monitored, that in these municipalities land titles would be reviewed and that farms would no longer be granted authorization to deforest. Furthermore, additional measures reduced the access of farmers in these municipalities to existing public credit lines. The main conditions for municipalities to get off this list are a substantial reduction in the deforestation rates and registration of at least 80% of all private lands in the environmental register (CAR).

15. With support from the current project, the municipality of Paragominas was able to meet these conditions. In other municipalities, most notably the municipalities of Querência in the state of Mato Grosso and São Félix do Xingu in the state of Pará, the project was able, partly through actions that inserted socio-environmental concerns into the local political agenda, to achieve considerable progress towards meeting these conditions.



Selected seeds: picture ISA

16. Another important result was that the project was able, on the basis of tangible field experience, to include technical concerns with respect to the rehabilitation of APPs and the use of seeds and forest seedlings into a resolution of the National Environment Council (CONAMA), approved in August 2010.

17. Results of this field experience were, furthermore, disseminated in other municipalities. Support from the project resulted in the strengthening of the Xingu seeds network. This network was created in 2007 to guarantee, on the one hand, seeds for the rehabilitation of riparian forests and, on the other hand, to offer rural families involved an economic alternative based on the sustainable exploitation of the forest. Today, the network involves 300 families of seed gatherers in 19 municipalities and 7 indigenous villages. In 2011, the expectation is that the Network will commercialize more than 30 tons of seeds.

18. Finally, in these first six months of execution, a base was construed for potential agreements with respect to the commercialization of responsibly produced beef and soy. Within the context of the present project, negotiations were initiated with representatives of the retail sector with respect to the supply of responsible beef, as well as with Cargill, with respect to the supply of responsible soy to a processing unit in China.

4. Performance

4.1. Applicable Indicators

19. The most relevant indicator is “number of hectares under improved natural resource management”. During these initial 6 months, the project established the base-line for the indicators defined during the preparatory phase, but did not get to defining target values for the first year.

PERFORMANCE INDICATORS	FY 09/10		
	BASE LINE	ACTUAL	TARGET
1. Number of hectares under improved natural resource management as a result of USG assistance.	3.090.583 hectares	5.594.584 hectares	NOT DEFINED FOR THIS FIRST YEAR
2. Number of policies, laws, agreements or regulations promoting sustainable natural resource management and conservation that are implemented as a result of USG assistance.		Resolution of the National Environment Council on the rehabilitation of riparian forests	NOT DEFINED FOR THIS FIRST YEAR
3. Number of people receiving USG supported training in natural resources management and/or biodiversity conservation.		104	NOT DEFINED FOR THIS FIRST YEAR
Women		26	
Men		78	
4. Resources Leveraged		R\$1,000,000 (Paragominas) R\$4,000,000 (São Félix do Xingu) R\$100,000 (Água Azul)	
5. Number of Special Studies			

4.2. Performance Summary

20. The Project made substantial progress with respect to the registration of rural properties. A simple comparison between the base-line values and the values at the end of the financial year , provides an impression of the progress made so far. This comparison shows that during the first six month of execution, the project supported the registration of 2.504.001 hectares of private lands. Hence, through registration, the project succeeded to include more than 2.5 million hectares of private lands in the state system for monitoring deforestation and into the process consisting of the rehabilitation of degraded APPs and the rehabilitation or compensation of Legal Reserves that should lead to full compliance of properties with the Forestry Code. In other words, in these 6 months, the project succeeded to put 2.5 million hectares under improved natural resource management.

21. At the local level, in some municipalities, this progress was even more significant. For example, at the onset of the project, 34.5% of the rural properties in Paragominas

were registered, representing 22.2% of all private lands; in the municipality of Querência 32.7% of all properties, representing 56.6% of private lands; and in Alta Floresta 8.9% of all properties, representing 36.6% of all private lands. In just 6 months, these numbers jumped to 117% of all properties identified in the IBGE census in Paragominas ¹, representing 80.2% of all private lands; 57% in Querência, representing 66% of private lands; and 14.1% in Alta Floresta, representing 50.9% of all private lands. This progress was made despite the above mentioned discussions about possible changes in the Forestry Code and the doubts among a large number of farmers that this caused, about the sensibility of registering their properties now.

22. With respect to the “Number of policies, laws, agreements or regulations promoting sustainable natural resource management and conservation that are implemented as a result of USG assistance” the consortium succeeded to influence a resolution of the National Environment Council (CONAMA) and have it adopt specific norms about the rehabilitation of riparian forests. The project trained a total of 104 people, 78 male and 26 female, in monitoring deforestation; socio-environmental norms and ecological rehabilitation; and environmental compliance. The approval of the project and its success in Paragominas resulted in the approval of additional funds from the Fundo Vale and the Fundo Amazônia for the registration and for support for managing farms in compliance with environmental legislation in the municipalities in Paragominas, São Félix do Xingu and Água Azul do Norte.

4.3. Problems, delays and failures

23. It is premature to speak about problems and delays. Nevertheless, there are a few points for concern.

- ✓ The above mentioned proposal for changes in the Forestry Code affected, in some municipalities, the interest of farmers to adhere to the CAR environmental register. This was particularly clear in the municipality of Alta Floresta, despite the problems this municipality is facing with respect to the supply of fresh water caused by the degradation of springs and of riparian preservation areas.
- ✓ Members of the consortium participated in various sector forums to negotiate criteria for sustainable production, such as the “Round Table for Responsible Soy (RTRS)”, the Soy Moratorium and the Working Group on Sustainable Ranching. Invariably, these negotiation processes are slow and cumbersome. Delays in the negotiations about criteria for the sustainable production of beef or soy will also delay the field testing of these criteria.
- ✓ Mediation of agreements for the supply of responsible production requires the preparation and monitoring of a register of farmers. The agribusiness analyst who was hired in July 2010 initiated this part of her terms of reference, but there are doubts whether only one person, even if it is with

¹ There exists a discrepancy between the number of farms listed in the IBGE 2006 census and the current number of farms

the support of other actors and institutions, will be able to implement and monitor this register.

- ✓ The use of “Trainet” has not yet become routine among the members of the consortium.

4.4. Management actions taken to address above mentioned constraints

24. No specific management actions have been taken to mitigate what are, at this moment, only possible future problems and delays. However, during the annual meeting of the consortium, members reflected upon the costs and benefits of the participation in forums and round tables. That same reflection is being repeated internally in the member institutions of the consortium.

25. With respect to the interest of farmers in adhering to the CAR register, member institutions are working with their municipal counterparts to mobilize the farmers. Based on an invitation of the mayor of the municipality of Querência, which he made during the annual USAID meeting of the different consortia, the possibility of organizing an exchange between mayors of the municipalities involved in the project is being considered. This exchange would also count with the participation of federal institutions, such as the Ministry of Agrarian Development (Ministério do Desenvolvimento Agrário (MDA), the national institute for agrarian reform (Instituto Nacional de Colonização e Reforma Agrária (INCRA) and the Ministry of Environment (o Ministério do Meio Ambiente (MMA).

26. With respect to the capacity to implement and monitor the register of farmers involved in responsible production, this will be an issue for close monitoring over the next few months. The first experience in Paragominas seems to indicate that with the support from local partners, it will be possible to create and maintain a register of “responsible farmers”.

27. With respect to the use of the “Trainet”, the project coordination prepared a simple form aiming at reducing the bureaucracy and at making maintenance of the “Trainet” data base less demanding.

5. Success stories

28. The most relevant success was the exclusion of the municipality of Paragominas of the list of the Ministry of Environment of municipalities with the highest rates of deforestation and the progress in the registration of private lands in other municipalities. Another success was the strengthening of the seeds network. Since its existence, the network produced 25 tons of seeds. However, the demand increased at such a rate that the expectation is that next year a total of 32 tons will be commercialized. This increase is attributed to acknowledgement of the networks’ achievements and of the success of rehabilitation of degraded forest through mechanical sowing of selected seeds. Currently, the network generates income for 300 families of seed gatherers in 19 municipalities and 7 indigenous villages.

6. Unexpected achievements and lessons learned not captured above.

29. Nothing to report

8 DESCRIPTION OF ACTIVITIES

1 PREPARATION PHASE

30. The first six months consisted of a preparation phase with the objective of defining the project, preparing the operational details and identifying opportunities to commercialize responsibly produced beef and soy. During this phase, the group responsible for the preparation of the project, designed, with the help of independent advisers of the academic and private sectors, a work plan for the first year of implementation, a detailed budget, a monitoring and evaluation plan and a management plan which included coordination arrangements.

31. With respect to the identification of opportunities to commercialize beef and soy, members of the consortium organized discussions with Cargill in China and contracted the preparation of a report about the soy trade between Brazil and China. Parallel to these activities to define the operational details of the project and to identify opportunities for commercializing responsible beef and soy, members of the consortium initiated or intensified mobilization and awareness raising efforts among producers and activities to influence public policies and international forums.

2 IMPLEMENTATION PHASE

Coordination

32. During this phase, the consortium hired the coordinator and the agribusiness analyst and the semi-annual meeting of the Coordination Group (29 e 30 April) and the annual meeting (14-17 September) were organized. During the semi-annual meeting, the Coordination Group agreed on a number of monitoring indicators which served as the basis for the preparation of a base-line and the organization of data with respect to the number and size of registered farms. It was, however, not possible yet to organize data with respect to the responsible production of beef and soy. So far there is only a preliminary estimate of responsible soy produced in the Santarem/Belterra region. An estimate of the responsible production in Paragominas is underway.

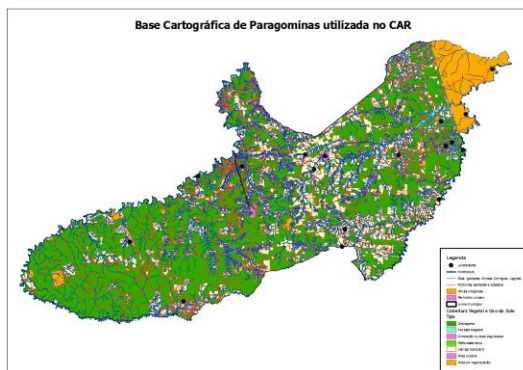
33. During this period, a branding strategy, a gender strategy and a plan for mitigating environmental impacts were prepared. The strategy for mitigating environmental impacts proved necessary given that the mechanical sowing of forest seeds to restore riparian forest preservation areas uses some seeds of exotic plants that under certain circumstances may become invasive. The mitigation plan, therefore, establishes that, in the case of the use of the mechanical sowing approach near conservation areas, the possible impact on those areas will be monitored.

Component I – increase the supply of responsible beef and soy

34. Component I - "Increase the supply of responsibly produced beef and soy" is divided into three lines of action: (i) mapping and analysis of the largest number possible of rural properties in the focal municipalities and support the registration of those properties; (ii) strengthening of state licensing systems in Pará and Mato Grosso; and (iii) improving effectiveness of fiscal and financial incentives to responsible production.

Mapping of rural properties

35. The implementation phase started with a workshop in Brasília, on 7 April 2010, about the CAR methodology and rural licensing in Mato Grosso, followed, on 19 April, by a meeting to define common strategies for the registration of farms in focal municipalities. During these meetings, it was agreed to standardize methodologies on



the basis of norms and instructions of the environment secretariats in Pará and Mato Grosso. Participants agreed on the scale to be used and the technical details that maps should include. It was also agreed that ISA and ICV would continue to promote the implementation of CAR through support to individual farmers and to the municipal governments and that they, therefore, would not apply the registration of farms at a municipality-wide scale, used by TNC.

Map of Paragominas, TNC

36. During these first six months of implementation, ICV concentrated its efforts on the municipalities of Alta Floresta and Apiacás; TNC on the municipalities of Paragominas and São Félix do Xingu, whereas ISA opted to work simultaneously in all four municipalities under their responsibility.

37. Various activities were initiated. These included acquisition of satellite images for the municipalities of Agua Azul do Norte, Belterra and Santarém and the updating of cartographic information for the municipalities of Terra Nova do Norte, Querência, Canarana, São José do Xingu e Santa Cruz do Xingu. Updates of the same cartographic information for the municipalities of Alta Floresta, Colider and Apiacas were completed.

38. The project supported the organization of information of ITERPA/INTERMAT, INCRA, SEMA and municipal governments with respect to land titles as an input to the georeferencing of private properties. Land use and vegetation cover maps of the municipalities of Santarem, Belterra and Paragominas were updated, which also served to prepare an analysis of the deforestation in these municipalities and an environmental analysis of almost 400 farms in the Santarem/Belterra region and of 550 farms in Paragominas. In the municipality of Alta Floresta almost 1200 farms of small peasants were mapped and georeferenced. In Santa Cruz do Xingu, the project supported the launch of a municipal program that will support farms to comply with social and environmental legislation.

39. The project also completed environmental analyses of the municipalities of Alta Floresta, Apiacás, Colider, São José do Xingu and Canarana. In Paragominas and in Alta Floresta the project initiated the preparation of a municipal map identifying priority degraded areas for rehabilitation. In Paragominas and in the Santarem/Belterra region, the project also initiated the mapping of potential areas for the compensation of degraded legal reserves.

40. Finally, the Project also supported the organization of two courses in Alta Floresta: one on environmental management and the MT-Legal program and one, with the participation of representatives from Alta Floresta, Colider and Terra Nova do Norte and other municipalities, on geographical information systems (GIS) and the CAR system.

Strengthening of state licensing systems.

41. The project signed agreements with municipal governments of Ourilândia do Norte, Tucumã and Belterra to promote the CAR register. The project initiated in all municipalities in the State of Pará involved in the project, except in Água Azul do Norte, the mobilization of farmers. In the state of Mato Grosso, the project organized a dialogue between municipal governments and SEMA, as well as discussions in Alta Floresta during the week of the environment, about the MT-Legal program. The planned activities with respect to the adaptation of the Agrogeo- instrument to the Integrated Environmental Monitoring and Licensing System (SIMLAM) and with respect to the development of a new instrument (Legal-Geo) were postponed to next year.

Improving the effectiveness of fiscal and financial incentives

42. The only activity in this subcomponent was the discussion between TNC and the organizations Ícone and the Fundação Getúlio Vargas, in São Paulo, about the terms of reference for a study on the availability of credit lines for the rehabilitation of degraded farmlands, bottlenecks in accessing those lines and measures to overcome those bottlenecks.

Componente II – Promote the consumption of responsible products

43. Component II – “Promote the consumption of responsible products” is divided in two lines of action: (i) Increase the demand for responsible agricultural commodities in export markets; (ii) Increase the demand for responsible agricultural commodities in domestic markets.

Increase the demand in export markets

44. In the context of this line of action, the project hired a consultancy to produce an overview of the soybean trade between Brazil and China and to identify possible trends in this trade in the next decade. The study will be published during the second year of implementation.

45. A visit to Beijing was made in December 2009, during which basic information on Brazil-China supply chains around soy was gathered, from Cargill and the local

International Finance Corporation office. It became clear that a supply chain project linking Brazil and China is feasible. The strategic rationale for support to this is that China currently takes 54% of Brazil's soy exports and that it is important to demonstrate that responsible production can operate also in markets where certification is unlikely to be a practical tool. Regarding the idea of securing a commitment to import responsible soy from Brazil, Cargill China stresses that there can be no price premium. The main issue will be volume of supply: there would have to be enough to keep a crushing plant operating for a reasonable amount of time.

46. In this context, the agribusiness analyst, hired in July 2010 (see the section on coordination), will be responsible for collecting data, including base-line information, about the volume of responsible beef and soy produced in the focal municipalities in Para and Mato Grosso and the design and operation of a register of responsible soy and beef farms.

47. The project started negotiations with Norwegian civil society organizations to prepare an awareness raising campaign among commodity businesses with respect to the responsible production and environmental and social certification of agricultural commodities. The project also started discussions with the Dutch Soy Coalition and soy importers about soy produced in accordance with the criteria agreed at the "Round Table Responsible Soy (RTRS)".

Increase the demand for responsible agricultural commodities in domestic markets

48. To promote increased domestic demand for responsible agricultural commodities, TNC and ISA started discussions and negotiations with big retailers, in particular Pão de Açúcar, Carrefour and Walmart. After a series of meetings with Walmart, an in-principle agreement was reached, in July 2010, that Walmar would supply, based on a register of responsible farmers and data about volume of production, its supermarkets in the Northeast with beef from farmers in Paragominas and, at a later stage, also São Félix do Xingu and other municipalities involved.

49. The project also started discussions and negotiations with farmers in the municipality of Paragominas about the production of soy based on RTRS criteria and those of the Sustainable Agriculture Network (SAN) and with respect to the implementation of demonstration farms on which best-ranching practices of the Ministry of Agriculture may be applied and/or, which may, in the future, be used to evaluate criteria developed by the Working Group on Sustainable Ranching.

50. Finally, during these first months of implementation, the three members of the consortium also started to monitor sector agreements and to participate in the respective forums and to monitor initiatives of firms and associations to apply their own criteria and certification systems for commodities for the domestic market.

Componente III – Strengthening of the regulatory framework

51. Component III - "Strengthening of regulatory frameworks" is divided in four lines of action: (i) Encourage the preparation and implementation of effective municipal environmental management policies in all focal municipalities; (ii) Contribute to the

preparation and implementation of state regulatory frameworks and to the strengthening of the Forestry Code; (iii) Promote strategies to increase the value of standing forest as incentive to comply with environmental legislation; (iv) Influence debates, sector agreements and their implementation on rural properties in focal municipalities.

Encourage the preparation and implementation of effective municipal environmental management policies in all focal municipalities

52. The project supported the creation of municipal environment councils in Alta Floresta, Querência and São José do Xingu. In Alta Floresta, ICV is an active member of the Council. Also in Alta Floresta, ICV supported the preparation of a proposal to Fundo Amazônia, that will support the municipal government with the registration of small farmers in the CAR and with the implementation of monitoring and control activities. The proposal was approved and its implementation should start after the national elections. In Santa Cruz do Xingu, the project supported the organization of a workshop at which a municipal program of support for socio-environmental production was launched.

53. In this context, the project also supported a training for civil servants from Ourilândia, Tucumã e São Félix do Xingu on the use of geographical information systems. The project also supported an exchange between farmers from São José do Xingu e Paragominas. These courses were not yet included in the Trainet data base.

Contribute to the preparation and implementation of state regulatory frameworks and to the strengthening of the Forestry Code;

54. ICV and ISA participated in activities that support or monitor the implementation of management and planning tools. ICV produced a report comparing the technical and political version of the socioeconomic and ecologic zoning proposal for the state of Mato Grosso. This report formed the basis for the mobilization and involvement of society in the approval process. That process will reinstate after the national elections.

55. ISA and ICV are actively monitoring the implementation of the state strategy for reduction of deforestation (Plano de Prevenção e Combate ao Desmatamento e às Queimadas (PPCDQ) and participated in the preparation of a decree with respect to the implementation and management of that strategy. ICV coordinates a working group about REDD at the state climate change forum. In this context, ICV has been working on the preparation of a REDD program for the State of Mato Grosso. With the objective to guarantee more transparency ICV contracted a study about the bottlenecks that hamper the implementation of the MT-Legal program. The planned activity to promote discussions within the state environmental council (CONSEMA) on the CAR register had to be canceled, due to the fact that ICV was not re-elected as a member of the council.

Promote strategies to increase the value of standing forest as incentive to comply with environmental legislation;

56. To promote policies that would increase the value of standing forest, the project supported several activities to discuss with different stakeholders a proposal for a REDD initiative in the state of Mato Grosso. It also supported activities with partners to promote the preparation of a proposal of the different state governments of the Legal Amazon to the government of the State of California. In addition, the project supported the

development of municipal programs in the municipalities of Canarana and Querência for the rehabilitation of riparian preservation areas. It also supported the strengthening of the seeds network, through the creation of a nursery in the municipality of São José do Xingu and through the organization of two coordination meetings of members of the network and the commercialization of seeds.

Influence debates, sector agreements and their implementation on rural properties in focal municipalities.

57. Project partners participated in sector forums, such as the working group on sustainable ranching (Grupo de Trabalho da Pecuária Sustentável GTPS) and the Round Table on Responsible Soy (RTRS). In the case of the RTRS, ICV participated actively in discussions on criteria for biodiversity conservation. With respect to the GTPS, project partners participated in a technical sub-group on “principles and criteria. ICV started negotiations with COOPERNOVA, a cooperative of farmers in Terra Nova do Norte with respect to their participation in the implementation of GTPS criteria.



Meeting in Alta Floresta during the Week on Environment, ICV

58. In these six first months of implementation, the implementation of best ranching practices, such as the integration of forestry, ranching and agriculture, were discussed, but it was not yet possible to implement tangible activities. With respect to the preparation, in cooperation with FRIGOL, of a pilot project in Água Azul do Norte, the project is awaiting FRIGOL to resolve its financial difficulties .

59. The project initiated discussions with farmers in the region of Santarém/Belterra and of Canarana to test, the RTRS criteria in practice. In this context, TNC is supporting Cargill to implement criteria agreed under the Soy Moratorium and with the monitoring of soy farmers in Santarém.

WORK PLAN FY11

		WORKPLAN YEAR 2												
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Ago	Sep	
Sub-strategy 1.1 : Mapping Analysis and Registration of Rural Properties														
Objective 1.1: Encourage the mapping and analysis of the largest number possible of rural properties in focal municipalities and support them to comply with environmental legislation														
1.1.1	TNC/ISA/ICV	Workshop of exchange on experiences with CAR of partners, SEMA/PA e SEMA/MT and other relevant stakeholders relevantes												
1.1.2	TNC	x	x	x	x	x	x	x	x					State bought images
1.1.3	ICV	x	x			x	x							
1.1.4	ISA	x	x	x	x	x	x	x	x	x	x	x	x	
1.1.5	TNC/ISA/ICV				xxx		xxx			xxx			xxx	
1.1.6	TNC/ISA/ICV	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	TNC Paragominas 100% till June
1.1.7	TNC/ISA/ICV	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	SFX - March; PGM in July TN/Colider: April; SCX e SJX - May
1.1.8	TNC	x	x	x	x	x	x	x	x	x	x	x	x	Santarem e BT until Dec; PMG monthly; others until Dec 2011
1.1.9	TNC	x	x	x	x	x	x	x	x	x	x	x	x	500-PGM; 380STM/BLT – rest until end of year 3
1.1.10	ISA								x	x	x	x	x	Starting May
1.1.11	ICV	x	x			x	x	x						

[illegible]

[illegible]

[illegible]

			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Sub-strategy 3.1 : Promote the preparation and implementation of efficient environmental management policies															
Objective 3.1: Institutionalize municipal environmental management in all focal municipalities															
3.1.1	TNC	Support the creation of state and municipal forums for regulation of norms and legislation that promote CAR, Licensing and environmental monitoring	x	x	x	x	x	x	x	x	x	x	x	x	Continuous
3.1.2	TNC	Capacity building of state and municipal institutions responsible for environmental management in PA and improvement of ZSEE instruments	x	x	x	x	x	x	x	x	x	x	x	x	Continuous
3.1.3	ISA	Negotiate and monitor the application of ZSEE tools and MT Legal	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.4	ISA	Train technical environmental management staff of municipalities in SJX, SCX, Querência, Canarana	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.5	ICV/ISA	Promote and organize workshop about the Forestry Code and ZSEE		xx											
3.1.6	ICV	Support for the working of the Environment Council in Colider e Terra Nova do Norte	x	x	x	x	x	x	x	x	x	x	x	x	FY11
3.1.7	ICV	Support the creation and working of the Environment Fund in AF, Colider e Terra Novo	x	x	x	x	x	x	x	x	x	x	x	x	Continuous
3.1.8	ISA	Contribute to the structuring of environmental and forestry management through support for the creation and strengthening of environment councils and secretariats in Querência, São José do Xingu, Santa Cruz do Xingu e Canarana	x	x	x	x	x	x	x	x	x	x	x	x	only SJX has not been attended yet
3.1.9	TNC	Capacity building and definition of criteria and technical norms for the rehabilitation of degraded areas based on environmental licensing processes	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.10	ICV	Conduct study on the regularization of legal reserves in AF, Colider, Apiacas e Terra Nova	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.11	ICV	Participatory mapping of potential areas for the creation of UCs	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.12	ISA	Disseminate information about deforestation dynamics (instrumento denominado de Olho no Xingu)	x	x	x	x	x	x	x	x	x	x	x	x	
3.1.13	TNC/ISA	Organize na Exchange between farmers of São José do Xingu	xx							xx					

e Paragominas														
Sub-strategy 3.2: Contribute to the preparation and implementation of regulation frameworks and the strengthening of the Forestry Code														
Objective 3.2: Approve and implement instrument, e.g.: ZSEE/MT e ZSEE/PA, PPCD-MT/PA, MT Legal and CAR-PA, and legislation with respect to climate change in MT e PA														
3.2.1	TNC	In coordination with other members of the consortium, discuss with decision-makers more flexible mechanisms and tools with respect to compensation of the LR	x	x	x	x	x	x	x	x	x	x	x	
3.2.2	ISA	Participate in and Influence forums and governmental public and non-governmental spaces for discussion and improvement of the Forestry Code.	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
3.2.3	ICV/ISA	Monitor the discussion on ZSEE in the State Assembly and act with other NGOs in a state network	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
3.2.4	ICV/ISA	monitor and evaluate the implementation of the PPCDQ-MT	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
3.2.5	ICV/ISA	Participate in governmental state forums (Fórum de Mudanças Climáticas, discussions on REDD)	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
3.2.6	ICV	Monitor in the Assembly discussions on the state environmental code and insert the theme into discussion of the FORMAD network	x	x	x	x	x	x	x	x	x	x	x	
3.2.7	ICV	Monitor the implementation of MT legal: construction of governance indicators – understand bottlenecks and promote transparency	x	x	x						x	x	x	
3.2.8	ICV	Conduct study on the evaluation of state environmental councils in the Amazon	x	x	x	x	x	x	x					
3.2.9	TNC/ISA/ICV	Produce didactic material about the regulatory and legal framework for the productive sector			xxx				xxx			xxx		Portal da Amazonia
3.2.10	TNC	Train state and municipal institutions responsible for environmental legislation in PA and for improving and applying land use instruments	x	x	x									workshop between AC, PA, AM
Sub-strategy 3.3: Increase value of standing Forest as incentive to comply with environmental legislation														
Objetivo 3.3: Promote a set of economic instruments that value the Forest and provide incentives to rehabilitate degraded areas														
3.3.1	ICV	Develop REDD Project in Cotriguaçu and prepara PDD, including a study on the land market and opportunity costs	x	x	x	x	x	x	x	x				

[illegible]

“Governance in environment frontiers”

Aliança da Terra -Brazil

Summary:

The Amazon region of the states of Pará and Mato Grosso is characterized by the intense economic and farming development with a disordered occupation format, however with the support of public politics of development, its levels of deforestation are high, the violence is present and the fire is out of control.

Mechanisms of remuneration for the ambient services are being created and would result in economic benefits and significant reductions of the deforestation ratios and emissions of gases associated to the greenhouse effect, however so that these projects are made possible, they need new regulations and they cannot be executed in areas where the community does not have conscience on the forms of use of the fire as agent of control and efficient prevention of the forest degradation. For the transformation of this scenario, Aliança da Terra has developed projects next to these regions with solutions of long stated period, which will drive the economic and sustainable development of the regions and will guarantee greater conservation.

Aliança da Terra through the CCS generates transparency and visibility for farm properties that implement a socio environmental management and searches incentives next to the markets for practicing properties of the concept “producing correctly”. The main tool of the CCS is called socio environmental diagnosis where the assets and socio environmental liabilities of the properties are identified and quantified, making possible to the producer the initiate a socio environmental management inside of their properties. With the diagnosis in hands, a plan of action for adequacy of the identified points is traced to resolve those issues. It is called Commitment of Adequacy Socio environmental -CAS. An annual revisit of evaluation that intends to quantify the socio environmental evolution of the properties that belong to the CCS is initiated after one year of the signature of CAS.

The fire is a critical factor to the maintenance of the forest in the region, to offer support to the Fire criterion of the CCS and to contribute for the reduction of the emission of gases with the greenhouse effect, Aliança da Terra in partnership with the Fire Department of the State of Mato Grosso and the American Forest Service is structuralizing the Fire Brigade of the Xingú.

Planned activities:

- (1) Follow up visits to audit implemented actions of the plan of adequacy
 - (2) Workshops for agricultural producers
 - (3) Implementation of the Fire Brigade of Xingú
- (1) Follow up visits: 3 auditing visits will be made in 24 properties with a total of 325.011 hectares in Mato Grosso e 2 auditing visits in 12 properties with a total of 41.173 hectares in Pará. The objective of this activity is to quantify and to evaluate the process of socio environmental adequacy of these 36 properties and show the efficiency of the CCS in the incentive to the process of management of the natural resources. This action will contribute for the reinforcement of the responsible production by identifying the country properties that will be part of the responsible productive chain.
- (2) Workshops: Two workshops will promote the presentation of developed socio environmental initiatives within the registered properties of the CCS. Also those workshops will present guest speakers, trade representatives and new projects geared to the development of a sustainable productive chain. The main objective of the workshop beyond the exchange of information is to create space for the union of the productive sectors, enterprise and public so that together they find solutions for the socio environmental causes.
- (3) Implementation of the Fire Brigade of Xingú: This brigade will act, in 16 Cities of the region east of the Basin of the Xingú, training all types of farming members and Indians on as how to properly work with fire and the techniques to fight fires and act in the combat to forest fires whenever necessary. It is expected that 75 new brigade

members will be trained through 6 workshops ministered throughout the Basin of the Xingú. Through those training programs, the Brigade will contribute for the management of the natural resources of the properties and the partnerships with the Government of the State, associations, unions and city halls that will give visibility and influence in the development of public politics geared to the protection of the region natural resources.

Aliança da Terra additional goal is to add to its registry 150 new properties by 2011 and also perform the audit process and reporting accordingly. This growth will be supported through contracts with local and international private companies and support grants from foundations such as The Gordon and Betty Moore Foundation.

TECHNICAL DESCRIPTION AND MANAGEMENT PLAN

Deforestation in the tropics accounts for approximately 20% of global emissions of carbon dioxide, making it the second largest contributor to climate change after the combustion of fossil fuels. Further, deforestation is the single largest source of greenhouse gas (“GHG”) emissions in the developing world. The current framework under the United Nations Framework Convention on Climate Change (“UNFCCC”) and the Kyoto Protocol does not currently contain any mechanism to reward efforts aimed at avoiding deforestation in developing countries. At present, the Kyoto Protocol only provides temporary credits for forestation and reforestation carbon projects for forestry under the Clean Development Mechanism.

However, at the 2007 UNFCCC meetings in Bali, Indonesia, an agreement was reached to work to recognize forest conservation as a critical means to reducing GHG emissions and a target was set to define inclusion of REDD Reduced Emissions from Deforestation and Degradation in the post-Kyoto climate change regulatory and trading framework.

Aliança da Terra best land stewardship practices will result in creating sustainable forest, agriculture and natural resource management solutions. Expected outputs of this process will be for example, the development of new, financially viable best sustainable agricultural practices bringing greater efficiency and output on existing land under cultivation. This will result in downward pressure to develop more virgin forests for cattle or agricultural purposes as yields from existing lands under agricultural practices will increase thereby reducing need for continued expansion into virgin forested areas.

One of the biggest challenges and concerns regarding implementation of carbon projects into regulated climate change policies is the concern of lack of institutional governance in frontier environments. Early results indicate that Aliança da Terra’s model can fill this current void and become a critical governance model to the Amazon frontier regions of Brazil controlled by private landowners and industry. The requested grant funds will play a key role in furthering Aliança da Terra governance model.

Registry of Social-Environmental Responsibility -CCS

The CCS is a Data and Social-Environmental Information Management System for rural properties, developed by Aliança da Terra and the IPAM. One of the hallmarks of Aliança da Terra’s CCS program is the fact that property owners participate strictly on a voluntary basis. The property owner comes to Aliança da Terra willingly to participate in the project, therefore, we are totally dedicated and motivated to provide the necessary guidance to those growers who are truly committed to preservation efforts.

Participation in the CCS is voluntary. After initial contact is made with Aliança da Terra by the landowner, the property is placed on our field evaluation waiting list. Our trained teams do subsequent field data collection. This data, including photographs and GPS coordinates, are incorporated into a remote sensing product (satellite imagery, fire hot spots, etc.) and additional information provided by the landowner is sent to the Data Processing Center - DPC at Aliança da Terra in Goiânia-GO to be processed by environmental engineers to create the Social-Environmental Diagnostic.

The Social-Environmental Diagnostic product of the CCS is a tool that relies on indicators that are described in a simple and clear format. This tool allows one to identify, quantify, and locate points where corrective action should be taken as well as locations where good land stewardship practices have already been implemented.

With this information it is possible to instruct producers on how to take corrective action as well as how to utilize his natural resources in a responsible way, creating a road map on how to come into social-environmental compliance with the Social-Environmental Compliance Plan -SCP, a document that serves as a baseline for future audits realized by Aliança da Terra.

The CCS unifies social-environmental information from rural properties in a data bank, offering a mechanism that locates and quantifies environmental assets and discrepancies. This tool is the baseline starting point for any project that desires to work with social-environmental factors in the Amazon biome, including reforestation and regeneration work to programs to reduce carbon emissions, such as REDD.

Research

Aliança da Terra in partnership with the Instituto de Pesquisa Ambiental da Amazônia -IPAM have managed the CCS and are responsible for the initial registry, development of the socioambiental diagnostic, accompaniment of the evolution of the properties while searching for incentives for the socio environmental correct production.

The IPAM is a non-profit environmental organization established in 1995 with the mission to contribute for a process of development of the Amazônia that takes care of to the social and economic aspirations of the population and, at the same time, keeps the functional integrity of ecosystems of the region.

IPAM bases the CCS scientifically acting by means of demonstrative experiences, production of scientific knowledge and academic orientation of after-graduation and graduation students. The research and demonstrative projects supply to the necessary base activities of extension and education and serve as subsidies to contribute for the environmental politics. Its monitoring carries through the analysis and of the quality of waters, behavior of fish and wild animals, plus develops research in recovery ways of areas of permanent preservation, bushes and reserves in diverse methods. It applies tests in what it refers to the alterations of the ecosystem where was actions of deforestation and forest fires and validates the audits of evaluation practiced by the Aliança da Terra in the properties of the CCS.

IPAM possess a base of environment research in the heart of the Xingu basin. Beyond developing a series of scientific research on the environment, it carries through ambient monitoring in the region, prominences for biodiversity, quality of the water and impacts of the fire for REDD and co-benefits.

Another scientific partner is Woods Hole Research Center -WHRC, independent institute and without lucrative ends, focused in ambient science, education and public politics. Its mission is geared toward the conservation and maintenance of the vegetation, ground, water and climate, and the search for the interaction between these natural functions and the social welfare. It acts in the construction of scenes of progression of ambient degradation in the Amazônia using the data of the CCS.

Registration

To obtain parameters that precisely characterize the social-environmental situation of the property, studies of satellite images are necessary to complete a detailed field analysis and an interview with the landowner is also necessary.

For this task, Aliança da Terra sends its field technicians with all the necessary equipment.

After the data collection, the information is sent to the data processing center of Aliança da Terra in Goiânia. The

data collected by the field team are cross checked with the remote sensor information using GIS technology, and this information is what the social-environmental diagnosis is first based on.

The diagnostic information will follow the pattern of the CCS criteria and in that way the property will receive a qualification (score) concerning its social-environmental situation.

Steps:

- Scheduling visitation;
- Sending of the team to collect data;
- Sending the data to be processed;
- Establishment of a diagnosis.

Planning

After finalizing the diagnosis, a meeting is scheduled with the farmer, preferably in one of Aliança da Terra offices, to present the diagnosis.

The diagnosis is presented and, with the support of the Aliança da Terra technicians, the farmer fills out the Social-Environmental Compliance Plan -SCP describing what actions should be taken to solve the social-environmental problems identified by the diagnosis.

Steps:

- Scheduling of the presentation of diagnosis;
- Delivery and presentation of diagnosis;
- Completing/filling out of the SCP;

After presenting the social-environmental diagnosis to the producer, techniques for recovery of environmental liabilities are also clarified. After acquiring this information, the landowner voluntarily builds a social-environmental adequacy plan for the land based on the following areas: native vegetation, soil conservation, fire, waste, environmental regulation, land, social and work security. The social-environmental indices are updated year after year through the audit performed by Aliança da Terra.

In the first year (2008) in which evaluations of the commitments taken by the registered landowners were performed, the rate of compliance achieved 69%. This rate demonstrates that just receiving a social-environmental diagnosis and technical orientation for responsible production served as encouragement for the farmers to adopt measurements for social-environmental adequacy in their properties.

Some of the commitments taken and accomplished voluntarily by the registered producers in relation to recuperation are isolation of the permanent preservation area, recuperation of areas that have suffered advanced stages of erosion, and the extension of barriers to serve as protection against fires (Firebreaks).

Two possibly positive impacts on the biodiversity will be the reduction of deforestation and the recovery of part of the forest areas within the registered properties, mainly of the riparian zone. The recovery will be oriented by observations of the ecological function of the landscape

There will be approximately 2 million hectares with social-environmental diagnostics searching for ways to improve their management.

Positive impacts on biodiversity:

- More producers preoccupied with environmental issues include reforest riparian areas for the preservation of biodiversity;
- Conscious producers added with the constant presence of Aliança da Terra make the governance of the region stronger;
- Recuperation of erosive processes;
- Construction of erosion control points;
- Improvement in water quality of rivers and streams;
- Reduction of emissions of CO₂ through the reduced use of fire and number of forest fires;
- CO₂ sequestration by means of forest recovery;
- Encourage registered producers to adopt good practices and conciliate production with protection of biodiversity and ecosystem services;
- The details of the registry bring transparency to the production process and qualify the property to participate in markets that value social-environmental practices;
- Through capacity building in the two carbon offsetting pilots, the project will demonstrate how alternative financial mechanisms could support land management in soybean production systems in a way that production is synergic to preservation of biodiversity. Positive Social Impacts:
- Enlargement of the quantity of registered rural workers;
- Improvement of the rural worker's living conditions;
- Intensification of the use of Individual Protection Equipment (IPE).

Results to Date

During its first two and a half years of existence, the Registry of Social-Environmental Responsibility has already attained substantial credibility and recognition in the market.

Currently the CCS is active in 5 Brazilian states, which contain almost of 2 million hectares and 200 properties, 720.000 hectares of which are forest.

Annual Audit System

In view of its marked growth, some measures have become necessary, principally repeat visits and audits on the properties that have committed themselves to make social and environmental adjustments and are already in the implementation phase.

The audits understand the systematic evolution, periodic and objective on the socio environmental management of the property, with the objective to facilitate the environment control of the adoption of good practices and for evaluating the fulfillment of the CAS signed by the proprietor, where the Aliança da Terra guarantees to the audited producer with positive results the denomination of “responsible producer” before the market.

The audit process is made of three phases:

- 1 Preparation: A document with all the points that will have to be evaluated in field (points of control) will be elaborated in the office.
- 2 On site visits: The technical crew will visit the CCS member and evaluate the progress of the points of control.
- 3 Reporting and presentation: A report for each revisited property will be elaborated, raising the positive and negative aspects of the audit. Also the socio environmental punctuation of the property inside of the criteria of the CCS is brought up to date.

Proposed activities:

Audits: 3 auditing visits will be made in 24 properties with a total of 325.011 hectares in Mato Grosso and 2 auditing visits in 12 properties with a total of 41.173 hectares in Pará.

The properties located in Mato Grosso became part of the CCS through the “Responsible Sourcing Cluster for the Amazon” in the period of Oct 1st, 2007 – Feb 28th, 2009 financed by USAID;

The 12 properties located in the Marabá region, Pará, were added to the CCS through the “Bertin Sustainable Supply Chain Linkages Pilot Project” performed during the period of May 21, 2008 – Oct 03, 2008 and was financed by the IFC.

The audits will help indicate the influence of the CCS on those properties as a tool to promote a socio environmental evolution of those same properties.

The results of this project can serve of support to the industry consumer of primary products (slaughterhouse, commodities, trades, etc.) to better know the profile of its suppliers, to identify the bottlenecks on the process and to promote systems of gratification to the producers that do reach minimum criteria level of support in its production.

Workshops

Aliança da Terra in partnership with IPAM and with the Rural Trade Union of Agua Boa and sponsorship of USAID, organized the 1st Social Environmental Alianças Symposium, which took place on February 13 and 14, 2009 in Agua Boa – MT (with support of the cities of Canarana and Querência).

During the first day there were 08 lectures for more than 140 people, predominantly rural producers. On the second day there was a “field trip”, which counted with the participation of approximately 50 people. There they visited the research base of IPAM in the state of Mato Grosso to learn the importance of the environmental research, the work of the forest recuperation of the Group André Maggi, and the results of the forest recuperation in the city of Canarana. The workshop and its results were promoted out nationally through several networks of communication.

The workshop served to bring to the producers of the region the principal environmental tendencies, orientating and bringing to discussion several controversial points of the interaction “environmental production”.

Objectives of the workshop:

- Introduce Aliança da Terra and the CCS to new producers;
- Training of good practices in the farming industry;
- Present the main results of the Aliança da Terra projects;
- Arrange seminars about current environmental demands and perspectives to the local community (large and small producers, governmental offices, associations, etc).

This activity is important because motivates producers to conciliate friendly biodiversity practices with production.

Proposed activities:

Execution of 2 workshops “Alianças Socioambientais” on the month of March 2011 and 2012. It is expected that each event will sold out at about 150 participants. The 2010 workshop will also exist but will be supported and financed through funding of the Betty Moore Foundation.

Companies the have partnership with the Aliança da Terra CCS ADM -

Archer Daniels Midland Company

Together with Aliança da Terra, ADM implemented the program “Produzindo Certo” (Producing correctly). The objective of this project is to motivate Brazilian soybean producers to opt for sustainable cultivation of the grain. It

intends to increase the profit margin of farmers and at the same time reduce the ambient impact of their actions and yet still maximizing the productivity per cultivated hectare.

Grupo André Maggi and Marfrig Group

They financed the participation of their suppliers into the CCS.

Rabo Bank

The Xingu pilot project financed the recovery of forests towards a voluntary carbon market.

Bertin

Bertin Sustainable Supply Chain Linkages Pilot Project utilized the CCS for some of their slaughterhouse customers in Pará.

Project Xingu Fire Brigade

Evaluating the heat points of the counties east of the Xingu basin, it is observed that on the past four years this area has a higher average than the average of the entire state of Mato Grosso. This region is marked by a farming situation of certain irregularity that makes it difficult for the economic and socio environmental development of the area and also allowing social conflicts where the fire is used in an uncontrolled format.

The fire brigade will support the criteria C – Fire of the CCS, making it stronger and contributing so the future fires become under control and the Xingu basin becomes an example of production and conservation to other regions.

Some of the results of this program are the reduction of the incidence of forest fires and illegal burnings on the east section of the Xingu Basin thus reducing the emission of gas that create the greenhouse effect caused by deforestation and degradation of forests. Also it is expected a higher conscience of the local communities towards the proper way of utilizing the fire and burnings. Finally the work of the brigade will contribute so that registered properties of the CCS located on the east side of Xingu Basin become ready for REDD projects.

Some of opportunities that promoted the creation of the brigade:

- The lack in the region of preparation, equipment and training to combat forest fires;
- The precarious conditions of the state fire department located in the city of Nova Xavantina that also is very far from the location of most fires;
- The producers had limited or no access to information about techniques of fire fighting;
- The high level of hot spots in the area;
- The positive relation that Aliança da Terra has with the owners of rural properties and Indians of the area so there is a strong support for the brigade to be implemented;
- Partnership with the WHRC and IPAM that are developing research about the fire behavior and its implications in forest areas (Project Savanização – Tanguro Farm);
- CCS members will support the brigade work by providing lodging within their properties while the firefighters are in action around their locations.

Some of the difficulties of implementing this project are the hard access of the region and lack of protection against those interested in promoting uncontrolled fires.

Form of work

The brigade will work in a preventive approach with the utilization of seminars, programs about fire fighting and

actually fighting region fires that are within reach of the coverage area described by the brigade.

The higher incidence of fires in the Xingu Basin takes place between the months of June to September. It will be during those months that the brigade will intensively participate on the fire combats and during the remainder of the year will be promoting training sessions to the locals.

The strategies of fighting a fire:

- Open a line of communication by telephone to be informed of fires. This number will be placed on plaques along the main roads of the area covered;
- Upon receipt of a phone call the brigade will send a member in a fast transportation (motorcycle) to check for reality of situation, location, dimension of fire and to start taking the first steps towards the combat of it;
- Transport the team members of the brigade to the location of the fire and initiate the process of ending it;
- • Generate events and monthly reports of the brigade activities, results and leanings and publish the material on local and nationwide media. Strategies of prevention of fires:
- Generate evaluation of the risk zones with its specific level of danger;
- Identify, register and build up, when necessary, water collection points to be used in future combat of forest fires;
- Elaborate plans of construction and maintenance of safety zones in the properties registered in the CCS;
- Generate controlled fires when necessary. In this case it involves developing the controlled fire plan and acquire all the required permits with the government offices;
- Promote education programs within the community (small and large producers, Indians, schools, etc) that will teach techniques of prevention, combat, first aid and use of equipment;
- The instruments of the educational program will be articles published on the local and nationwide press, direct contact with the community, educational plaques along the most important roads that go through forest areas and educating the new generations so they can impact on the future facts that contribute to the start of fires.

Ethnoenvironmental Corridors in the Brazilian Amazon:
Linking Biodiversity Conservation with Indigenous Territorial Management

Garah Itxa Consortium

CA number: AID-512-A-O9-00001

Semi-Annual (Mid-Year) Report

Submitted to the

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with

Metareilá
COIAB
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Conservação Estratégica
ACT Brasil

For the period

October 1, 2009 a September 30, 2010

1. Context

In the region of the Ethnoenvironmental Corridor Mondé-Kawahiba, settlement patterns in recent decades have followed a similar pathway favoring the establishment of large-scale ranches. First, with deforestation and selling of timber; next, with the substitution of forest with grasses and establishment of cattle ranching; and finally, with the extensive cultivation of soy. In addition to these environmentally degrading activities, large-scale infrastructure projects are underway such as the Ji-Paraná, Santo Antônio and Jirau hydroelectric dams, the latter two under construction. Rapidly growing urban centers serve as market hubs for lumber and agricultural products, often encouraging illegal commerce of timber and minerals. Faced with these powerful development trends that exert severe impacts on indigenous peoples and their lands, the indigenous and traditional communities are trying to become incorporated into the market through the political strengthening of their local organizations, the management of their territories and the generation of sustainable forest products.

In contrast to these development trends, in the region of the Ethnoecological Corridor Mondé-Kawahiba lessons are being generated focusing on the correlation between centers of high biodiversity and cultural diversity. This correlation is not accidental, but the result sustainable use of forests over centuries by indigenous peoples, who have protected and, in some cases, increase the biological diversity.

This learning experience has direct implications for Amazonian conservation work. First, it means that indigenous peoples can serve as regional conservation leaders, rather than mere appendages to protected area policies. In some cases, exercising this leadership involves the maintenance and strengthening traditional environmental practices. In other cases, it requires regular updating and new training in order to meet the ever-changing needs and contexts of Amazonian frontier dynamics. Second, broad-based regional or landscape-level approaches need to be adopted. While a host of regional approaches are currently in use, few have truly integrated indigenous peoples' concerns and environmental experience into conservation and sustainable development practice and policies.

In this context, the Garah Itxa Consortium is implementing through its activities important innovations. The first innovation involves the reformulation of the biological corridor concept and its subsequent transformation into "ethnoenvironmental corridors" that directly incorporate indigenous peoples' actions into the conservation equation. The second innovation deals with the development and implementation of an integrated methodology for working with indigenous peoples' conservation issues.

2. Critical Assumptions

In the Ethnoenvironmental Corridor Mondé-Kawahiba the main critical assumptions are associated with a group of developmental actions that are unsustainable. The indigenous

peoples continue to face intense threats due to invasions into their lands by illegal loggers, with subsequent deforestation. Together with this threat is a lack of sustainable economic alternatives, of respect for indigenous rights and of adequate indigenous policies by the federal government. Even faced with these problems, the indigenous peoples are striving to maintain their cultural traditions, both with respect to their adaptive technologies and their cosmological world view, which enables them to interact in a natural way with other Tupi groups, whether they be Mondé or Kawahiba.

Among the various environmental threats to the corridor, the steady advance of the agricultural frontier, principally associated with soybean cultivation, is accelerating deforestation in areas of savanna. Territorial invasions by hunters and fishermen have increased in recent years. Some of these threats are exacerbated by a general lack of governmental policies and services directed to the indigenous population, as well as the institutional fragility of various institutions, in particular the indigenous associations.

Faced with this array of threats that hang over the corridor, another critical assumption is related to the fragility of institutional linkages between diverse social actors – including indigenous peoples, residents of extractive reserves, NGOs, and governmental agencies at the federal, state and municipal levels – in the search for mitigating measures. One of the greatest challenges, therefore, is to promote joint actions between the multiple sectors of society in the region, complementing and facilitating the actions of the Garah Itxa Consortium and mitigating the diverse environmental impacts in the region.

3. Performance in Relation to the Overall Project Objective

The main objective of the Project is to strengthen indigenous peoples and their representatives institutions in conservation issues so that they can be full participants in an integrated corridor conservation strategy.

To achieve this objective, the first three months of activities by the Garah Itxa Consortium were dedicated to its “planning phase,” from October to December 2009. During this period, the project organized a series of governance meetings aimed at preparing a 2010 work plan and a three-year implementation plan for the Consortium. This phase was also important because it permitted the development of a system of accounting and a communication strategy. As a result, the “planning phase” achieved its goal of developing the project based on a solid foundation developed jointly by the partners.

The “implementation phase” began immediately after and will run from January 2010 to September 2012. This phase of the project is currently at the nine-month point of execution of activities, which are developed based on the work plan prepared during the previous phase. Many of the planned activities that initiated in January will extend throughout the entire project,

whereas some will be concluded during each fiscal year. In general, it is evident that the activities under implementation are directed toward achieving the overall objective of the project.

The activities developed both during the “planning phase” and thusfar in the “implementation phase” are described in detail in the following section of this report.

4. Significant Results, Products and Accomplishments by Component or Objective

General

Among the significant results of the Garah Itxa Consortium, special attention should be given to a group of general activities related to governance, under the direct responsibility of IEB but indirectly of all the project partners. During the “planning phase” a series of meetings vital to the implementation of the project took place, including: meetings of the Management Committee, meeting between IEB and USAID – Post Award Meeting, the 17^a meeting of USAID-Brazil's Environment Program, a meeting for raising awareness of COIAB, and meetings to establish the Sis-Garahltxa (project accounting system) and the Consortium's communication strategy.

Immediately following the signing of the contract with USAID, on October 8-9, 2009 the first meeting of the Management Committee took place at the main office of IEB in Brasília, composed of one representative and one substitute from each partner institution of the Consortium. A second meeting of the Management Committee took place on December 1-2, 2009, at the headquarters of Kanindé in Porto Velho. Both meetings were fundamental for planning the actions of the Consortium and provided the foundation for preparing the work plan for fiscal year 2010 and the three-year project implementation plan. During these meetings, a series of agreements regarding communication, budget, accounting, functioning of the Management Committee and the Consultative Council, joint actions and the governance structure were reached among the partners.

Between the two meetings of the Management Committee there occurred a “Post Award Meeting” on October 19, 2009 in Brasília. During this meeting, which involved the Consortium's lead institution and USAID, a significant amount of information regarding the contract for the Garah Itxa Consortium was shared, in particular regarding the administrative and financial management of the project.

Subsequently, the 17th Meeting of USAID-Brazil's Environment Program took place on October 27-30, 2009 in Belém. All of the partners of the Garah Itxa Consortium were present, and the Meeting provided a valuable opportunity to share information and discuss critical issues. Two panels organized during the Meeting merit special note: “REDD: Trends and Opportunities” and “Conservation and Restoration of Degraded Areas,” both of which are extremely relevant to activities of the Consortium such as reforestation.

Also during the “planning phase,” the Project organized a Meeting to Raise Awareness of COIAB, on November 9-10, 2009 in Manaus. At this meeting, representatives of IEB shared general information about the Consortium to the entire COIAB team, and organized training sessions on accounting based on USAID rules and administrative and financial management in general.

Other meetings also were important for project governance, such as those aimed at organizing the accounting of the partners and the Consortium’s communication strategy. Several meetings were organized around these issues, and out of them was derived Sis – Garah Itxa (the financial accounting system of the Consortium) and modes of communication (intranet, bi-annual bulletin, folder, etc.). To get the Sis – Garah Itxa system off the ground, the financial staff of each partner institution underwent training at IEB’s headquarters in Brasília during January 26-29, 2009.

Finalizing this series of meetings that occurred during the first six months of the project, it is also worth noting a meeting between the three consortia Villages, Indigenous Landscapes and Garah Itxa on March 9, 2010, at IEB’s office in Brasília. At this meeting, opportunities for synergy between the consortia were discussed in detail, which could generate positive results in the near future.

In addition to the various meetings, during the project’s first six months a consultancy was contracted to carry out a “Social, Cultural, Political and Institutional Diagnosis of the Ethnoenvironmental Corridor Mondé-Kwahib, located in the State of Rondônia, Northeast Mato Grosso and Southern Amazonas.” This diagnosis provided a baseline for the project’s monitoring and evaluation.

At a meeting between representatives of IEB and Metareilá’s entire project team on April 13-14 in Cacoal, Rondônia, various activities to be developed by the consortium were presented, and a monitoring and performance plan was discussed. At the same time, Metreilá staff received training in accounting procedures required by USAID as well as in administrative and financial management in general.

The semi-annual coordination meeting of USAID’s Environment Program took place in Brasília on April 29-30, 2010. Representatives of the Garah Itxa consortium were present and contributed to the discussion about reformulating the USAID indicators. Since it was not possible to finish the revision of the indicators, a new meeting took place on July 28 in Brasília, during which a final definition of the indicators to be used by the Environment Program was obtained.

Between these two meetings, the Consortium’s Executive Committee met in Cacoal on June 14-15, to evaluate the activities underway and deal with diverse project-related issues involving communication, monitoring and evaluation, governance, and training necessary to fulfill the work plan.

While developing the consortium governance, members participated in diverse events that were highly relevant to the project objectives. Among these events, some of the most noteworthy were the Regional Consultations for a National Policy of Environmental and Territorial Management of Indigenous Lands (PNGATI). In the consultations that took place in Cuiabá and Manaus, the Garah Itxa Consortium participated actively. The first of these events, which took place during May 25-28, 2010, convened indigenous leaders from Pará, Mato Grosso and Tocantins states. The second event took place during June 25-28 and included the participation of indigenous representatives from Acre, Amapá, Amazonas, Maranhão, Rondônia and Roraima states. The working groups and plenary sessions provided opportunities for gathering and consolidating specific information on indigenous peoples and the environments in each of these regions, subject to different kinds of pressures and problems, and ascertaining whether the PNGATI contemplated this variety of situations. The participation of IEB ranged from the discussion of methodologies to encourage indigenous participation to technical support for the working group discussions.

Two days prior to the consultation in Manaus, the project organized a preparatory meeting at Kanindê's Culture and Training Center in Porto Velho on June 23-24. To promote synergy, this meeting brought together the teams of three USAID-supported consortia – Indigenous Landscapes Brazil, Garah Itxa and Villages – to provide technical and financial support to this consultation. This meeting included the participation of 25 indigenous peoples (including 7 women) from the Apurinã, Arara, Cinta-Larga, Djeoromitxi (Jabuti), Gavião, Karitiana, Makurap, Munduruku, Oro Mon, Oro Waje, Ororam Xyem, Paumari and Suruí ethnic groups, representing 12 indigenous associations, as well as representatives of partner institutions (IEB, Kanindê, ACT Brasil and Metareilá), SEDUC/RO, FUNASA and FUNAI. The meeting's objective was to help prepare the indigenous leaders and permit exchange of experiences in the discussions about the PNGATI proposal to be presented at the regional consultation in Manaus.

During 6-9 July, in an effort to broaden the search for information and knowledge related to territorial and environmental management of indigenous lands, the consortium coordinator participated in the First Seminar on Monitoring and Enforcement of Indigenous Lands in Acre, sponsored by the Association of Indigenous Agroforestry Agents of Acre - AMAAIAC, in Rio Branco. This event convened representatives of 15 indigenous peoples, providing an opportunity to exchange information about the territorial threats and actions to improve monitoring and enforcement within indigenous lands. The experience of the Indigenous Agroforestry Agents in the environmental and territorial management of the Mondé-Kawahiba Corridor contributed to the learning generated during this event.

On July 16-17, 2010, IEB carried out a second meeting with COIAB in Manaus to continue strengthening the consortium governance. In this meeting, the following topics were discussed: general presentation of the technical proposal approved by USAID; presentation of the first, six-month narrative report to USAID; presentation of the financial proposal approved by USAID; review of COIAB's project finances; financial monitoring (control of advances, contract spreadsheets, operation of the SIS-Garahitxa) and presentation of the manual on financial management. The purpose of this second meeting was to deepen the awareness of COIAB's technical staff about the project's functioning.

Another noteworthy event related to project governance was the seminar, “Capacity building on REDD for indigenous peoples,” which took place during September 9-10, 2010, at FUNAI’s headquarters in Brasília. The seminar brought together representatives of IEB, CI, TNC, IPAM, ISA, GTZ and Funai. The seminar’s objective was to develop a set of guidelines on training indigenous peoples on REDD. The participants defined some of the major themes to be covered and methods necessary to deepen awareness of indigenous about REDD, Climate Change and Environmental Services.

Due to the relevance of these themes to the region of the Mondé-Kawahiba corridor, representatives of the consortium also participated in the Meeting of Indigenous Peoples on Climate Change and REDD+, which took place during September 14-16, 2010, at the Israel Pinheiro Convention Center in Brasília. COIAB, in partnership with TNC, CI, WWF and GTZ, sponsored this meeting to encourage communication of experiences between indigenous peoples and representatives of environmental organizations and the government. Experiences of indigenous peoples in the Mondé-Kawahiba corridor and in other regions where REDD projects are underway – such as those by the Paiter Suruí, Cinta Larga, Rikbaktsa and Kayapó – were presented by indigenous leaders. Key issues covered during the meeting included the risks and opportunities associated with REDD initiatives, the social and environmental principles and criteria for REDD+ and national and international policies related to climate change and indigenous peoples. IEB participated in the facilitation of the event and in the discussion of participatory methodologies appropriate for the training of indigenous peoples on these issues.

Component 1: Indigenous Territorial Management

This component envisions a series of activities to be developed by IEB, ACT-Brazil, Metareilá and Kanindé. All of these institutions, which are responsible for the component, have launched activities that are contributing significantly to the development of the project.

IEB, within this component, is responsible for activities to be developed only in “Subcomponent 1.5: Publications on Reforestation of the Sete de Setembro Indigenous Land and on Ethnoenvironmental Corridors.” It began “Activity 1.5.1: Compiling, editing and publishing a booklet describing the innovative Suruí reforestation project.” As part of the initiation of this activity, discussions took place on several occasions with representatives of Metareilá to develop a work plan, including development of an outline of the structure of the booklet, with text, maps and images, in addition to a timetable for production. After gathering secondary information, interviews of village representatives were undertaken during September 8-11, 2010. Based on the information obtained to date, a preliminary version of the booklet is being prepared, resulting in the completing of an estimated 20% of this activity.

ACT-Brasil, in turn, has focused its efforts on “Subcomponent 1.2: Training of Indigenous Environmental Agents,” and specifically on “Activity 1.2.1: At least 3 workshops of 20 days each, involving a total of 90 indigenous people.” In March 2010, ACT Brasil completed its Course for Indigenous Environmental Agents, which took place at the Training Center in Porto Velho, Rondônia, over a period of approximately 15 days. The course trained 38 representatives of the Suruí, Diahui, Zoró, Cinta Larga and Parintintin ethnic groups. The course included modules dedicated to first aid, rescue, Brazilian legislation, use of geographic positioning systems (GPS), notions of outboard motor maintenance and preparation of reports denouncing illegal

activities in indigenous lands. These modules are an adaptation of a course for park guards organized by ACT Brazil in other regions, which in this case will take on a more instructive nature in terms of capacity building, with a focus on monitoring of protected areas. To increase opportunities for learning the modules were divided into theoretical and practical sessions. An estimated 25% of “Activity 1.2.1” has been concluded to date.

In the “Subcomponent 1.1: Plans for Territorial Vigilance and Risk Mapping,” and specifically in de “Activity 1.1.1: At least 8 workshops (two for each Indigenous Land)”, ACT Brazil initiated the preparation of a plan for territorial protection in the Sete de Setembro Indigenous Land. The main products of this effort included mapping of: risks, threats, durable and non-durable goods, capacities and infrastructure. In addition, a communication plan was prepared that can assist with strategic planning, land-use monitoring and enforcement. Participation included representatives of all villages within the Indigenous Land. While the process of discussion was prepared and conducted by the ACT Brazil team, the Indians were the main actors and drivers of the discussions, with ACT providing a supporting role in registering the main ideas and points discussed. In the second phase of the Protection Plan, the data compiled to date will be validated by the community. An estimated 33% of this activity has been completed.

Metareilá, in Component 1, has made progress with actions planned for “Subcomponent 1.4: Seedling Production and Planting,” in particular with “Activity 1.4.1: Practical workshops for the establishment of three nurseries and planting of seedlings.” To date four such workshops have taken place, which signifies that 80% of the proposed activity has been concluded.

The first workshop for training reforestation agents took place at the Line 9 village, during March 25-27, 2010. The instructor responsible for the course showed how to maintain the plants already in the area to be deforested, define directions for opening trails, follow the stages for planting seedlings in the field, and crowning and covering the plantations with organic material.

The workshop had only three indigenous participants, because the others were involved in other activities in the village and were unable to attend. As a result of this low attendance, Matareilá organized a fourth workshop to train reforestation agents. These workshops are critical for the development of subsequent activities by the Paiter (Suruí) such as the development of forest carbon initiatives and continuing reforestation initiatives.

The second workshop for reforestation agents was conducted at line 11 of the Lapetanha village during April 1-3, 2010, with the participation of 14 indigenous students who actively participated in all phases of the training. The activities were identical to the first workshop since the objectives are the same, although in this case there was training on trimming seedlings that were in a more advanced stage of development.

The third workshop took place during April 22-24 at the Line 10 village and included 21 participants of the Paiter ethnic group. Training on demarcating forest trails for planting seedlings was emphasized in this workshop, including the proper orientation in relation to the sun so as to favor light penetration and growth. This workshop also included training on pruning seedlings (now in a more advanced stage than previously) and in weeding of the neighboring

areas. Finally, instruction was provided on how to make maximum use of leaves, branches and other organic material to assure sound development of the seedlings.

The fourth workshop to train reforestation agents took place on May 21-22, 2010, at the Tikã village – Line 11. This workshop included participation of 11 Indians from four different villages (Apoena Meirelles, Tikã, Joaquim and Nova Payter). The activities developed were similar to those covered in the previous workshops.

Kanindé's activities in Component 1 focused on “Subcomponent 1.3: Participatory Ethnoenvironmental Diagnosis with Cultural Mapping,” having initiated in the project's first six months the “Activity 1.3.1 – Carry out at least 5 workshops of one week each for a total of 225 indigenous people.”

To start the Ethnoenvironmental Diagnosis on the Zoró Indigenous Land, Kanindé organized a meeting in the Castanhal village school during January 14-17, 2010. Approximately 50 representatives were present from the FUNAI, Kanindé, Metareilá, the Zoró Association (APIZ) and Zoró leaders from various villages - Pawanewã, Ipsyrej, Webajdarej, Guwapuxurej, Escola, Anguj tapua, Bubyrej, Tamali Syn, Duanjurej, Paraíso da Serra, Santa Cruz, Aldeia Nova and Central.

During this meeting the methodology of Participatory Ethnoenvironmental Diagnosis was presented, which provided an opportunity for participants to raise questions and resolve any doubts. All of the points in this meeting were explained in Portuguese and translated to the Tupi-mondé language so that, especially, the older participants could understand. An enormous contribution to the entire discussion was made by a Chief, representing the Association Metareilá, who explained the history of this organization's partnership with Kanindé, explain the Garah Itxa and the importance of an Ethnoenvironmental Diagnosis. At this meeting the necessary agreements were also signed to permit continuation of this activity.

Kanindê continued preparing its Participative Ethnoenvironmental Diagnosis during the second part of this fiscal year. In April-May it visited the Zoró IL, with support from the Association of the Zoró Indigenous People and FUNAI. During this visit, all of the Pangyejej villages were georeferenced, recording locales that will be critical carrying out the diagnosis. All of the data gathered during the diagnosis will contribute to future decision making, including the formalization of illegal activities that take place within the indigenous land.

Following the field visit, on August 7-8 Kanindê organized its first technical meeting of the diagnosis, in which participated the entire technical team, indigenous leaders and partners. The purpose of this meeting was to prepare working agreements, present the research methodology and address any outstanding questions. The meeting also provided an opportunity to train the indigenous participants in the methodology for carrying out the diagnosis and producing the management plan. Leaders from all of the Pangyejej villages participated in this meeting, which included 38 men and 14 women. An estimated 40% of this activity has been carried out to date.

Component 2: Strengthening of Indigenous Organizations

The institutions involved in this component are: IEB, ACT, COIAB, Metareilá and CSF. Metareilá, however, did not plan any activities within the component during this fiscal year. According to the project's timetable, ACT-Brazil, Kanindé and CSF developed activities during the second semester. The other institutions began their planned activities as described below.

IEB, under "Subcomponent 2.1: Training and Specialization Courses," initiated planning and political contacts necessary to develop "Activity 2.1.2: Course on Communications." Initial meetings with the partners were dedicated to develop the course concept. During these meetings the indigenous associations expressed a much greater demand for information about Payments for Environmental Services, and less interest in a course on Communications. As a result, this activity is being reformulated to Activity 2.1.2: Course on Payments for Environmental Services." As some actions were already developed prior to modifying this activity, it is estimated to be 10% complete. To progress in planning this new course, it will be necessary to prepare an outline of course content, define the target audiences and selection process. IEB is planning a meeting with specialists in this área to plan a course that is responsive to indigenous demands in the region.

Another activity of IEB under this component is within "Subcomponent 2.3: Technical, Fiancial and Legal Support and Training" and involves two activities: "Activity 2.3.1: Organizational development actions in at least 5 indigenous organizations" and "Activity 2.3.2: Course on project development and fundraising." These activities were also initiated, and contacts have been established with the following beneficiaries: the Metareilá Association of the Paiter Suruí Indigenous People, COIAB, Union of Indigenous Women of the Brazilian Amazon (UMIAB), the Cinta Larga Council Association (ACCL) and the Jiahui Indigenous People Association (APIJ).

For the development of these two activities, beginning in April IEB contracted a specialist in management of indigenous associations. Under "Activity 2.3.1: Actions of Organizational Development in at least 5 indigenous organizations (IEB)," currently 30% complete, during April-May meetings were carried out with beneficiary associations to present the Consortium and a proposal for organizational development, according to the current level of organization of each association and in response to local demands and needs.

In June Metareilá's Strategic Plan for the coming three years was revised and a timetable defined for activities as a basis for monitoring. In September, the Internal By-Laws of the Association were prepared and the implementation of the plan was reviewed.

Meetings took place with COIAB's directors and partners during May-June to discuss the association's current financial situation and organization. In September a planning workshop was carried out with the directors, staff, councilors and partners to prepare an annual action plan. This event coincided with a meeting of COIAB's Management Working Group, which took place in Manaus During August 30-September 2. Sixteen people participated in this latter meeting, including four women: participants included coordinators and staff of COIAB, the

Commission of CONDEF and representatives of partner institutions (TNC, IEB, GTZ and Friends of the Earth). This activity was carried out jointly with the PIB Consortium, which provided financial support while Garah Itxa covered facilitation costs for the event.

With APIJ, IEB's technical support for organizational development in July resulted in the preparation of spreadsheets for financial control and monitoring of the member's contributions. The association's treasurer was trained in management of financial resources and financial reporting. The distribution of tasks between the president, the treasurer and the secretary were reviewed and the association's annual planning initiated for review by the general assembly.

With ACCL, the association's statutes were reviewed in July, together with directors, staff and leaders of the Cinta Larga. Preparation of the By-Laws was also initiated. In August, during the general assembly and in collaboration with Kanindé, the functions and attributes of each director and the fiscal council were explained to orient the election of a new directorship and council. In addition, the new proposal for the association's statute was explained and reviewed by the associates, who approved it unanimously.

Finally, with UMIAB, IEB carried out a planning workshop in June with the directors, councilors and representatives of the association's partner organizations to discuss the internal organization, define steps for improving internal functions and initiate preparation of a work plan.

In relation to "Activity 2.3.2: Course on Preparation of Proposals and Fundraising," a course was organized during August 2-14 at Kanindé's Center for Training and Culture in Porto Velho. This activity was completed as anticipated in the work plan. The course trained 22 indigenous participants representing the Arapaço, Cinta Larga, Gavião, Gavião Parkatejê, Jabuti, Jiahui, Paiter Suruí, Wai Wai, Wapichana, Xerente, Yawanawa and Zoró ethnic groups. Each of the beneficiary indigenous associations nominated four students, who should form a fundraising team for their association and will be monitored and assisted in future actions related to organizational development. As for gender representation, this course achieved an impressive quotient of 50% men and 50% women.

The course initially focused on the role and importance of indigenous associations in conducting dialogue and negotiation with the non-indigenous society, especially involving public policies, fundraising and support for sustainable economic activities, with a view to strengthening indigenous autonomy. The participants were encouraged not to depend exclusively on externally financed projects, but to value the resources of their own communities. Afterwards, various techniques for participatory rapid appraisal were reviewed, as well as planning and preparation of proposals, initially in general terms, and then using specific forms of various financing agencies.

Another institution with responsibilities in component 2 is **COIAB**, which as part of "Subcomponent 2.4: Consolidation of Social and Political Networks," began developing two activities: "Activity 2.4.1: Expansion of indigenous networks with the incorporation of new groups

and establishment of new alliances” and “Activity 2.4.2: Expansion of existing indigenous networks and designing, updating and providing an interactive database on organizations/people/indigenous lands in the corridor.”

As part of Activity 2.4.1 – 15% achieved -- COIAB has established links with its affiliates in the Ethnoenvironmental Corridor Mondé-Kawahiba through participation in meetings and assemblies. In some of the events COIAB discussed issues related to corridor conservation with local indigenous leaders, as a way to provide them with information relevant to each ethnic group and thereby strengthening the social and political network of indigenous organizations in the region.

Under Activity 2.4.2 – 30% achieved, COIAB initially planned to develop a data base of organizations, peoples, indigenous lands and other information important to the corridor region. Given the relevance of this activity for the Brazilian Amazon as a whole, it was decided to extend this activity, without losing its focus on the region in which the Consortium is working, to the network of organizations and indigenous peoples that comprise the foundation of COIAB throughout the Brazilian Amazon.

To develop this activity, COIAB contracted a communications specialist who, in conjunction with COIAB coordinators, carried out research on data bank platforms and sought information about the indigenous peoples in the region of the Mondé-Kawahiba corridor to include in the data base. The information gathered included data on: geographic region, ethnic group, village, population, each village's area of influence, time of contact with Brazilian society and activities that impact the group's culture, among other variables. In addition to this specific activity, the communications specialist traveled with COIAB to events and provided press releases, prepared a clipping of events reported in major media outlets and developed a mailing list of indigenous organizations. With a view to optimizing Activity 2.4.2, COIAB is investigating the possibility of redesigning its website to include an interactive space, where the grassroots affiliates of COIAB can include information. This possibility, however, is still under discussion.

With the active participation of COIAB in events involving its grassroots affiliates, frequent communication of information, updating of its website and training of indigenous peoples in communication tools, the relationship between COIAB and the indigenous peoples and organizations within the Tupi-Mondé corridor is steadily strengthening.

In addition to the institutions mentioned above, **CSF** also carries out activities in component 2, specifically under “Subcomponent 2.2: Exchanges between Indigenous Agents.” “Activity 2.2.3: Experiences in Ecotourism” is under the responsibility of CSF and developed in partnership with Kanindé. During the latter half of FY 2010, the first contacts were made with the Mamirauá Sustainable Development Institute (IDSM) to check on the possibility of carrying out an exchange between residents of the Sete Setembro and Nove Janeiro Indigenous Lands and communities in the Mamirauá Sustainable Development Reserve. In response to interest shown by both IDSM and the indigenous groups, such an exchange is being planned. Indigenous leaders will have an opportunity to view *in loco* the work developed by communities in the Ucari

Lodge, a world recognized example of community-based ecotourism. This opportunity will permit the transmission of experiences and learning from the very traditional peoples involved in Ecotourism in Mamirauá. Currently 50% of this activity has been developed, with the conclusion planned for the first month of FY 2011.

Component 3: Activities for Sustainable Income Generation

During the project's first six months this component focused on "Subcomponent 3.1: Ecotourism Pilot Project" which is under the responsibility of **CSF** and will be developed in close consultation with Metareilá and Kanindé. This subcomponent consists of "Activity 3.1.1: Development of an ecotourism project in two Indigenous Lands," which to date is 22% completed.

As part of the implementation of this activity, a workshop took place on March 22-23, 2010 in the Sete de Setembro Indigenous Land, in which were present representatives of Kanindé, CSF, Metareilá and other Suruí organizations (the Gabgir Association, the Yabner Gabgir Forest Institute of the Paiter Suruí Indigenous Peoples, the Pamaur Association, the Garah Pameh Association and the Kabaney Suruí Forest Peoples Association). The workshop convened 31 people to discuss the proposal of carrying out an ecotourism pilot project within the Indigenous Land. The indigenous representatives discussed the advantages and disadvantages of the project and decided unanimously to embark on it.

On March 25, 2010, a second workshop took place in the Nove de Janeiro Indigenous Land, to continue discussions initiated in 2008 of a proposed ecotourism project. This workshop included 70 participants, of which 15 were women, who discussed the operational details of the project, confirmed the intention to continue it and established a preliminary agenda for field activities.

Two consultants specializing in marketing and architecture, who were previously selected by the project, attended both workshops. They showed interest in participating in these ecotourism initiatives, and at present a Terms of References is being reviewed for contracting them.

On August 28-29, the second workshop on Introduction to Indigenous Ecotourism took place at the Lapetanha village in the Sete de Setembro IL. This activity was developed by CSF in collaboration with Kanindé and Metareilá and convened 45 Indians, including 10 women. This workshop contributed to indigenous understanding of ecotourism in all its dimensions, with a special focus on indigenous ecotourism and ethnotourism. Case studies showing successful experiences in ecotourism were reviewed, including private sector and community-based enterprises. The training also encouraged participants to explore their own knowledge in relation to potential resources that could support such enterprises. It became clear to the participants that their involvement from start to finish will be fundamental for the success of ecotourism.

5. Performance

5.1. Relevant Indicators

PERFORMANCE INDICATORS	FY 10	
	ACHIEVED	TARGET
1) Number of people receiving U.S. Government supported training in natural resources management and/or biodiversity conservation (disaggregated by men and women: 70% Men and 30% Women). (USAID Common Indicator No 3)	276	163
Men	214	113
Women	62	50
2) Numbers of policies, laws, agreements or regulations (PLAR) promoting sustainable NRM and conservation that are implemented as a result of USG assistance (USAID Common Indicator No 2)	01	01
3) Percentage of funds and resources leveraged (USAID Common Indicator No 4)	0%	2%
4) Number of special studies.	0	0

5.2. Summary of Performance

There are four common USAID indicators used by the Garah Itxa consortium: 1) Number of people receiving U.S. Government supported training in natural resources management and/or biodiversity conservation; 2) Numbers of policies, laws, agreements or regulations (PLAR) promoting sustainable NRM and conservation that are implemented as a result of USG assistance; 3) Percentage of funds and resources leveraged; and 4) Number of special studies. Of these four indicators, only the last does not have a target to be achieved this year and as a result will not be reported here.

The indicator “1) Number of people receiving U.S. Government supported training in natural resources management and/or biodiversity conservation” had an FY 2010 target of 163 people. Through project-supported training activities it was possible to benefit a total of 276 people, of whom 214 were men and 62 women. Hence the project greatly exceeded its target and this reflected the optimizing of available resources, which permitted reaching a larger number of people than anticipated. In relation to gender, the distribution target of training 70% men and 30% women was not quite met, as the final breakdown was 77.5% men and 22.5% women.

Various partner institutions within the consortium contributed to this result. Through its workshops on ecotourism, CSF trained 115 people, including 80 men and 35 women. In its reforestation workshops, Metareilá trained 49 people, all men. In its training events related to participatory ethnoenvironmental diagnosis and management planning for the Zoró Indigenous Land, Kanindé trained 52 people, including 38 men and 14 women. ACT Brasil, in turn, trained 38 environmental agents, including 36 men and 2 women. In its course on Preparing Proposals and Fundraising, IEB trained 11 people, including 11 men and 11 women. A much higher proportion of men participated in trainings involving environmental agents and reforestation. This faithfully reflects indigenous social organization, in which activities directly related to management of natural resource such as forests are the domain of men, whereas women provide tend to play a greater role in support activities such as planning, proposal preparation, fundraising and running of enterprises such as ecotourism.

For indicator “2) Numbers of policies, laws, agreements or regulations (PLAR) promoting sustainable NRM and conservation that are implemented as a result of USG assistance,” the target was one agreement. This target was achieved through the participatory ethnoenvironmental diagnosis of the Zoró IL carried out by Kanindé, during which an agreement was reached between the Pangyejej and the Zoró Association regarding the management of the 355,789 hectares of the territory, as well as complementary activities and projects designed to improve quality of life, territorial protection and public policies.

In relation to indicator “3) Percentage of funds and resources leveraged,” the target was 2%. Unfortunately, during the project’s first year it was not possible to leverage additional funding. Over the next two years, fundraising will become a more important priority among the consortium’s participating institutions.

6. Success Stories

A noteworthy success story during this first semester of project activities is the reforestation carried out by the Suruí in the Sete de Setembro Indigenous Land. With support of the Garah Itxa Consortium, this activity took place during the period from December 2009 to September 2010, with the clearing of underbrush and planting of seedlings.

The indigenous peoples benefited from project-supported training on planting and maintenance of seedlings. These activities open the possibility for increasing family incomes and fixing indigenous populations on their lands, assuring their survival and improving their quality of life, thereby making the indigenous community economically sustainable.

All of these benefits were made possible through the Garah Itxa Project. Direct beneficiaries included 21 indigenous residents in the villages Apoena Meirelles, Lapetanha, Pin Paiteir, Tikâ, Central and Iratana.

Image 1 – Practice of trimming seedlings. Source: Photo collection of the Metareilá Association.



Image 2 – Planting and maintenance of a reforested area. Source: Photo collection of the Metareilá Association.



7. Unexpected Results and Lessons Learned not Reported Above

There were several unexpected results and lessons learned that merit recounting in this report, as noted below.

Seminar on Protected Areas

A regional workshop on ISA's Protected Area Monitoring Program took place in Manaus on October 18-19, 2009, in which Paulo Henrique Bonavigo represented Kanindé. The objective of this workshop was to incorporate the perspectives and demands of different sectors of civil society and state governments regarding a system of social and environmental evaluation of the Conservation Units.

Meeting with the Cinta Larga Indigenous Peoples to discuss Carbon

In January 2010, the Kanindé Association participated in a meeting in Espigão d'Oeste, within the Roosevelt Indigenous Land, to discuss a REDD project carried out by the Cinta Larga indigenous peoples and Viridor, during which this company's proposal was presented and discussed. The participation of Kanindé was important to provide guidance to the indigenous peoples regarding the steps required for REDD projects.

Meeting with the Suruí Indigenous Peoples and Funbio to discuss Carbon

In February 2010, the Kanindé and Metareilá Associations discussed the establishment of a Suruí Carbon Fund, which resulted in an official partnership with Funbio.

Meeting in Brasilia with representatives of the APIJ – Association of the Jiahui Peoples and ICMBio –Chico Mendes Institute of Biodiversity.

In February 2010 and with the support of Kanindé, representative of the Jiahui indigenous peoples were in Brasília to discuss with ICMBio the overlapping of the Humaitá National Forest on their Indigenous Land. One of the items on the agenda was the placement of the boundaries of the National Forest on the Indigenous Land without prior communication with the Jiahui. The Jiahui and Kanindé seek the integrated management of these protected areas.

Meeting with FUNAI in Brasília

On March 23, 2010, the leadership of Kanindé was in Brasília for a meeting with FUNAI to discuss the restructuring of this agency, the Ethnoenvironmental Diagnosis of Zoró Indigenous Land and other topics.

Meeting with GTA

In March 2010 indigenous leaders participated in a workshop to discuss basic guidelines for REDD+, which seeks the reduction of deforestation and forest degradation, as well as conservation and sustainable management.

Seminar “Social and Environmental Status of Indigenous Lands in Pará State: challenges in formulating policies for environmental management”

This seminar, which took place on June 7-9 in Belém, had the following objectives: gather in a participatory fashion preliminary information about the social and environmental status of indigenous lands (IL) in Pará; identify the main social and environmental problems and opportunities involving ILs in Pará; produce supporting information for developing a program on territorial and environmental management of ILs in Pará; and strengthen indigenous leaders of Pará in dealing with issues related to territorial and environmental management. Organized through a partnership between SEMA-PA and ACT-Brasil, FAPESPA, GTZ and IEB, the seminar had approximately 100 participants.

Suruí Carbon Management Fund

A workshop to prepare the Suruí Carbon Management Fund took place at Metareilá's headquarters in Caroal, Rondônia, during June 28-30. Representatives of Kanindé, ACT Brasil, FUNBIO and Metareilá participated.

Course on Indigeneous Peoples, Environment and Development in Amazonia: an introduction

This course took place in Brasília, during July 19-31, 2010, as part of IEB's Kaleidoscope Program. The course trained 22 environmental managers and technicians from government, the private sector and NGOs who, in their professional activities, deal in some fashion with issues related to indigenous peoples in the Brazilian Amazon. The objective was to present, in a broad, introductory fashion, key principles and information about environmental and development issues required to understand the current context of indigenous peoples in the region. IEB's team, linked to the Garah Itxa and PIB consortia, supported and facilitated

discussions in working groups and in plenary. Project team members from Metareilá and COIAB also participated in the course and gave lectures. Several of Kanindé's staff members were selected as students of this course.

Meetings in general

- Suruí Carbon Project: Meetings in Brasília FUNAI and, on July 19, with MMA.
- Suruí REDD project presented to MMA in Brasília on July 7.
- Suruí projects on Carbon, Education and Health discussed during a meeting with the Federal Public Ministry in Ji-Paraná, Rondônia on July 15.
- A proposed methodology for monitoring fauna in indigenous territories discussed by representatives of ACT Brasil, Kanindé, Pará State Secretariat of Environment, Mapuera Association of Indigenous Peoples and Stanford University on June 3-5 in Santarém, Pará. This methodology will be prepared based on experiences already implemented by the Kanindé Association, and could be carried out experimentally in the Sete de Setembro IL.
- Meeting with the American Ambassador and representatives of USAID-Brazil, in Kanindé's office on August 25, to present USAID-financed activities carried out by Kanindé and Metareilá.
- Meeting on July 22 in Ji-Paraná, Rondônia, to discuss project-supported activities in the Uru eu wau wau IL.

Participatory Ethnoenvironmental Diagnosis (DEAP)

During August 2-7 a workshop on Validating DEAP (biotic environment) and Ethnozoning of the Sete de Setembro IL took place at the Lapetanha village. The ethnozoning of the IL, based on the DEAP and carried out by Kanindé and ACT Brasil, was approved in this workshop. This activity involved co-support of the Fortis and Garah Itxa consortia and was carried out by Kanindé in partnership with ACT Brasil and Metareilá.

Lecture

On August 3 Kanindé gave a lecture to the Villages Consortium on Ethnozoning in Indigenous Lands.

Cultural festivities

During August 22-27, Kanindé participated in cultural festivities within the Nove de Janeiro and Jiahui Indigenous Lands in southern Amazonas. Representatives of ACT Brasil and IEB were also present in the Jiahui IL.

Workshop to raise awareness about licensing processes along the BR-317 highway

This workshop was sponsored jointly by the Garah Itxa, FORTIS and MABE consortia, in Boca do Acre, during August 9-13, 2010. The objective was to provide clarification and information about the stages of licensing, legislation regarding mitigation and environmental compensation, A atividade mediation of social and environmental conflicts involving indigenous and riverine communities directly and indirectly affected by the paving of the BR-317 highway. Approximately 40 indigenous leaders and 10 agroextractive community leaders from the Boca do Acre region participated in the event. The workshop covered topics related to environmental and indigenous legislation, disseminated public documents about the paving initiative and used participatory methods to diagnose the involvement of participants in the negotiations related to the project. The 5-day workshop led to the beginning of mobilization by indigenous and agroextractive communities regarding their rights to compensation and environmental

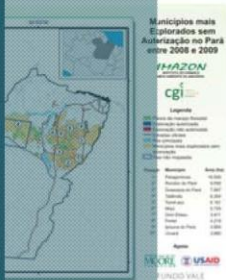
mitigation, and the effective involvement of impacted groups in the legal process of environmental licensing.

International Seminar on Participatory Mapping and Management of Indigenous Territories in the Amazon Basin

Various meetings were held throughout the year to organize this seminar. Planned to take place during November 15-20, 2010, in Rio Branco, the objective of this seminar is to exchange experiences and Technologies. A total of approximately 120 participants are anticipated, representing people and institutions from the diverse states of the Brazilian Amazon and neighboring countries. The Garah Itxa consortium will participate with presentations on experiences of the Suruí, Gavião, Jiahui and Parintintin indigenous peoples.

National Council of Indigenous Policies (CNPI)

During the year the coordinator of Metareilá, participated in meetings of CNPI to discuss indigenous policies in Brazil.



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Forest Enterprise Cluster

Annual Report Submitted to USS Agency for International Development

**By Amazon Institute for People and Environment (Imazon)
International Institute for Education of Brazil (IEB)), Institute
for Ecological Research (IPÊ), Tropical Forest Institute (IFT),
and US Forest Service (USFS)**

For the period

October 1st, 20009 through September 30, 2010

Forest Enterprise Program Overview

The Forest Enterprise Cluster partners dedicate their work to supporting and promoting sustainable management of natural resources while conserving biodiversity and improving livelihoods in the Brazilian Amazon. The five cluster partners incorporate sustainable natural resource management practices and techniques into economically productive sectors, while conserving biodiversity in areas that are identified as biologically significant.

The main goal of the Cluster is to promote the expansion of the area under sound forest and protected area management in the Brazilian Amazon by improving the capacity of local partners to promote, implement and regulate the sustainable multiple use of public forests. The Cluster partners are uniquely positioned to promote forest conservation in Brazil by drawing on the diverse workforce of scientists, resource managers, international specialists, conservation biologists and other experts.

The Cluster Program also brings together Brazilian organizations with proven expertise in forest and protected area management as well as capacity building. One of the major constraints for preserving tropical forests and biodiversity in the Amazon is the lack of trained forestry professionals and protected area managers. The Forest Enterprise Cluster Program addresses this problem by strengthening the technical capacity of key stakeholders in the forestry sector, which includes government employees at the state and federal level, public and private sector foresters and technicians as well as community members.

Project Context

Described below are the activities and the project context of the five primary cluster partners.

International Institute for Education of Brazil (IEB): *Strengthening community organizations and networks to promote community and family forest management in the Brazilian Amazon*

The Federal Program for Community and Family Forest Management (PFMFCE) was established in July 5, 2009 and the first annual plan under this program was presented by the government in June 2010. This focuses on ten priority lines of action: organizational strengthening; environmental regularization; credit; technical assistance and forest extension; capacity building of local organizations; infrastructure; production; processing; and commercialization. The need for public policies to support community and family forest management is becoming much clearer. This is coupled with an increase in demand for timber and non timber products from community forest sources. Together, these factors should promote the conservation and sustainable use of forests. On the other hand, a series of problems including the lack of land tenure regularization, the technical complexity of sustainable management, weak local organization, and lack of credit, still impede the implementation of community forest management and require urgent consideration at national and international levels.

At the state level, the state of Pará introduced its first Annual Forest Concession Plan (PAOF), following the criteria established in the Public Forest Management Law. This plan describes the process of granting concessions for the right to practice sustainable forest management for forest products and services in state forest areas. The State Forest Institute (IDEFOR) presented a description of registered state public forests and indicated which are destined for conservation and community use. The PAOF also describes the activities planned and the resources that will be used for the management of public forests, particularly those related to policing and monitoring.

This expanded national and state legal umbrella is now starting to help define the parameters within which new arrangements for community and family forest management area being discussed. In this context, the consideration of the relationships between forest companies, communities and governments in the Brazilian Amazon has become an important topic. IEB has not only facilitated the dialogue between these actors but has also created mechanisms to support the implementation of practical proposals.

Instituto Floresta Tropical (IFT): *Sustainable Forest Management Training*

The *Instituto Floresta Tropical* (IFT) is a non-governmental, non-profit Brazilian organization that was established to identify, develop, and teach sound forest management practices for Amazon forests. IFT was founded in 2002 as the successor of the *Fundação Floresta Tropical* (FFT), the Brazilian subsidiary of the Tropical Forest Foundation (TFF), founded in 1994. Today, IFT is an NGO officially recognized by the Brazilian Government as an organization of public interest (OSCIP). IFT works under the main premise that the promotion of forest management practices is a sound strategy towards natural resource conservation and

improved living conditions for Amazonian populations. Over the last 14 years, IFT has become a center of excellence in forest management in the Amazon, stimulating the expansion of forest management practices through capacity building, extension and research.

The activities proposed by IFT under the scope of this project aim to achieve the following outputs:

- Strengthen technical capacity of Amazon forest sector stakeholders through practical and applied courses;
- Raise awareness about the benefits of forest management through extension program in forest districts and other strategic regions;
- Maintain IFT's applied research program, focusing on critical questions to improve forest management practices;
- Update and refine IFT's training and extension materials;
- Strengthen synergy with other Cluster partners and USAID/Br. Grantees, such as IEB, IMAZON, and USFS Dr. Thomas Holmes and Dr. Michael Keller;
- Continue to develop and implement strategy for medium-term financial stability and the sustainability of the IFT program.

The project is occurring during a crucial period for expansion of sound forest management practices in the Amazon. The government, prompted by social movements, has articulated a strategy for expanding forest management in the Amazon, which includes the establishment of concessions in public-owned forests and implementation of forest management in rural settlements and other smallholder contexts. However, the scarcity of trained professionals to plan, execute, monitor and audit forest management, though frequently ignored, is one of the major factors constraining successful implementation of these ambitious policies.

Amazon Institute for People and Environment (IMAZON): *Forest Monitoring*

In decentralizing forest management, the federal government turned responsibility for managing and controlling forest resource exploitation to the States. To do this, the States implemented systems for forest control to license and control selective timber harvesting and legal deforestation. However, those systems are vulnerable to errors and fraud and have low transparency. Parallel to this, the federal government has conducted the forest concession process in the Flona Jamari, the first to be logged under the forest concession regime in the Amazon, seeking best practices in managing public forests. In the first year of the Forest Cluster Project, Imazon proposed a set of activities that seek to assess implementation of systems for controlling management plans and to develop a system for monitoring forest concessions in the Amazon. In this regard, Imazon has conducted an assessment of the systems for controlling and monitoring forest management plans in the States of Pará and Mato Grosso and has contributed to the Brazilian Forest Service evaluation of human pressure in the Flona Jamari, in the State of Rondônia. Additionally, we have contributed to the State Public Prosecution Service in the State of Pará in assessing forest management plans in the State of Pará. Finally, our goal of increasing transparency in the forest sector was achieved with the signing of the Pact for Legal and Sustainable Timber in the State of Pará. This pact provides for unrestricted access to licensed management plans and dissemination of the situation of these plans through quarterly bulletins.

Institute for Ecological Research (IPÊ): *Conserving Forests through Ecotourism*

The Institute for Ecological Research is a non-governmental organization dedicated to socio-environmental conservation in Brazil. The mission of the Institute is to “develop and disseminate innovative models of biodiversity conservation and socio-economic development through science, education and sustainable business.” In Amazonia, IPÊ concentrates its efforts in the lower Rio Negro, a mosaic of protected areas with intense tourism activities. This is an ongoing project which holds activities in conjunction with local partners such as community associations, public tourism and environment institutions and tourism trade. It focuses on the following:

- Intensification of the exchanges between communities in the region that are developing sustainable activities for multiple use of forest and services based on sustainable tourism, in order to promote the exchange of experiences;
- Maintain training, emphasizing the participation of local communities;
- Support the process of community organization through workshops and courses;

- Support the development of a pilot ecotourism activity and carry out its monitoring;
- Systematize experiences and develop appropriate indicators.

United States Forest Service: *Collaboration with Brazilian Government Natural Resources Management Agencies and Cluster Governance*

US Forest Service works closely with USAID and other partners in Brazil to build long-term, successful programs on capacity building in sustainable forest management in order to protect biodiversity and support economic growth in the Amazon Region. As the Brazilian Forest Service promotes sustainable development by balancing the use and conservation of Brazilian Forests, the US Forest Service has been exchanging experiences and information in forest administration and management. The Brazilian Government will increase sustainable forest management practices for timber production in natural forests, thereby helping to meet the demands of industry while still protecting large tracks of forests for community use and the preservation of biodiversity. USFS continues to build on the previous years of technical assistance including forest inventory and analysis systems, forest administration and fire management. USFS collaborates with the Government of Brazil's public land management agencies as they develop and establish national forests, visitor use in protected areas and forestry concessions.

Critical Assumptions

International Institute for Education of Brazil (IEB):

In spite of the efforts made by government to create instruments to regulate forest management in the Amazon, these have not yet resulted in practical benefits for sustainable production by the communities. One major reason for this is the lack of resolution of the land tenure situation in areas destined for community use (for example extractive reserves and settlement projects). These areas are delimited and decreed by government but the communities that reside within them have faced a long wait for the tenure of their lands and rights to forest production to be recognized.

Since 2009, the state of Pará has been requiring that all rural properties prepare a Rural Environmental Registration (*Cadastro Ambiental Rural – CAR*) as a first step towards environmental and tenure regularization. Although very important, this procedure has had an impact on production as it limits access to credit by the communities. Additionally, INCRA, the agency responsible for settlement areas, has been discussing a regulation which would govern forest management in these areas.

The activities implemented by IEB within the Forest Enterprise Cluster aim to support government agencies and, principally, communities make progress in improving forest management in rural community areas, but successful implementation also depends on government resolving these and other questions.

Instituto Floresta Tropical (IFT):

Despite the fact that, in 14 years of existence, IFT has trained more than 4000 professionals in practical courses, the demand for training and capacity building in forest management continues to be high, and is expected to increase over time. As mentioned above, the limited availability of trained professionals capable of spreading forest management in the Amazon is one of the main technical challenges to forest conservation. An IFT consultant and researcher estimated that, for the Government to successfully manage and administer 11 million ha of national forests in Amazon in the next 10 years, 10,000 trained professionals would be necessary to guarantee adequate planning, execution and monitoring of forest management practices. In the long run, this demand could grow to 50,000 professionals.

At the same time, while most of the timber production in the Brazilian Amazon is still executed without sound practices, there is growing pressure from markets, environmental movements and researchers to improve current forest management practices regarding economic profitability and ecological sustainability. For this reason, the research program at IFT has attempted to answer critical questions in applied research in forest management, related to issues such as silvicultural treatments, harvesting in rainy season, enrichment planting and ecological studies. This research program also reinforced training initiatives by updating manuals, flip-charts, presentations and extension materials, and thereby provided an overview of the state-of-the-art in forest management to target audiences.

The 6th output predicted from IFT's actions takes into account as a critical assumption that the current sources to

maintain IFT are not sustainable at the long run. To evolve as an independent institution and to better serve forest conservation priorities, IFT needs to move to a new forest site and decrease its level of dependence on external donations. The current site, owned by *Cikel Brasil Verde*, has only enough area available for a few more years of harvesting. Support from the Gordon and Betty Moore Foundation (2007-2010), used as counterpart funds for the Cluster Program, has been extremely valuable to IFT in an effort to develop a strategy for financial and institutional sustainability.

Amazon Institute for People and Environment (Imazon):

- We assume that IMAZON's independent monitoring system for management plans contributes towards increasing transparency in the State systems for forest control.
- The use of information generated by the project by the State (MPE) and Federal (MPF) Public Prosecution Services, the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and State Environmental Secretariat (Sema-PA) can contribute towards combating illegal logging.
- The information generated by the project regarding the human pressure situation in the National Forests will continue being used by the Brazilian Forest Service in the process of opening bids for forest concessions.

Institute for Ecological Research (IPÊ):

The main objective of the ‘Conserving Forests through Ecotourism’ Project is to promote conservation by working with environmental and tourism institutions, local communities, tourism operators and guides, thus raising awareness, broadening knowledge through environmental interpretation, and contributing to the development of sustainable tourism activities.

IPÊ’s team understands that tourism and environment in the lower rio Negro basin, as in many other places, need to be treated in an integrated manner: The success of tourism depends upon a pristine environment where funds derived from this economic activity are applied towards conservation as well as directly benefiting local communities.

In carrying out its activities, IPÊ works together with its local partners, community associations, government environmental and tourism institutions and tourism stakeholders. This report presents the activities performed during the fiscal year: the months of October 2009 to September 2010. The most applicable indicators of the project are training and resources raised. Critical assumptions of this project are varied:

- Results of training are not immediate. Education is a process and results of training will be noticed over the long term;
- There are many stakeholders in tourism, working for the most part by themselves and there are challenges in bringing them together;
- Skills and knowledge exist among community members. The challenge is to disseminate the information and share experiences.
- Sustainable tourism is a new concept which at times, especially for community members may be difficult to understand.

The challenges to be overcome are still great. It is necessary to have the commitment of the public sector independent of the cyclic changes of government. It is also essential to involve the communities in a just manner throughout all phases of the process, from the planning of activities to their execution. The stakeholders should understand that it is not possible to carry out their professional activities without taking into account socioenvironmental and conservation issues, without ruining their business. The expected scenario in the long run is the organization of sustainable tourism activities which will be used by all the stakeholders in the lower Rio Negro

Overall Performance related to the Achievement of the Project Main Objective

International Institute for Education of Brazil (IEB)

The main IEB project objective is to strengthen community organizations and networks to promote community and family forest management in the Brazilian Amazon. Important results have been achieved under all three sub-objectives.

Consolidate inter-institutional networking for community and family forest management currently underway in Para and promote similar processes in other region

Following the presentation by IEB of the results of the “Study on the contracts between Companies and Settlers for the exploitation of timber forest products in the region of the BR 163 highway” at a meeting of the Public Forests Management Commission (CGFLOP), a series of events and discussions took place that positively influenced the elaboration by INCRA of a regulation to govern community forest management in settlements. A first version of the regulation that had been published in the *Diário Oficial* in April 2010, was revoked two days after the CGFLOP meeting. The challenge now is to ensure that the results of technical and community level discussions are incorporated into new public policies for community forest management.

Strengthen local capacity to implement forest management plans and the commercialization of forest products.

The communities that are participating in forest management capacity building activities are influencing discussion on the regulation of management, for example the INCRA regulation mentioned above. A working group was formed that is discussing the main constraints faced by local organizations in the implementation of management plans. This helped IEB establish a training agenda with the intention to strengthen the ability of civil society organizations participate in policy debates and increase their efforts in the implementation of management plans.

Improve the quality of professional training for community and family forest management and create the conditions to expand the availability of professional courses in Pará.

IEB signed an agreement with the Federal Education, Science and Technology Institute of Pará (IFPA – Castanhal Campus). Based on this agreement, actions to strengthen the professional training of forestry technicians have been implemented through small scholarships to support field work in communities that implement community forest management, and delivery of a theoretical and practical discipline on community and family forest management. The systemization and publication of the results of the seminar on “Relations between government, companies and communities on community forest management in the Brazilian Amazon” has become an important information source for technicians and local leaders on the realities of implementation of community forest management.

Instituto Floresta Tropical (IFT):

IFT exceeded goals for training and extension, and met all other objectives of the project.

Outputs	Goals	Achievements
Strengthen technical capacity	293 people in 20 courses	472 people in 34 courses
Extension program	300 people in 10 events	404 people in 14 events
FM-RIL research program	Maintenance of program	- Maintenance of experiments
Update and refine IFT's materials	IFT's materials with continued upgrade to incorporate research findings and to new training needs	- IFT training materials upgraded - Technical manual of FM work safety published -Felling manual being printed - Manual on forest concessions published with Imaflora
Synergy with other Cluster partners	Increasing synergy with partners and other USAID grantees	-visit to Balata-Tufarí National Forest with IIEB; - work with Imazon in Calha Norte
IFT's sustainability	Strategy for medium-term (2009 – 2013) stable financing developed and implemented, based on institutional strategic planning	- Institutional development manager effectively aiding - Key staff largely dedicated to fundraising and development of strategic studies

Results, Products and Significant Achievements by Project Component or Objective:

International Institute for Education of Brazil – IEB:

Objective 1: Consolidate inter-institutional networking for community and family forest management currently underway in Para and promote similar processes in other regions:

⑩ Activity 1.1: Facilitate meetings of organizations involved in Community Forest Management in Pará.

Two meetings in Belém in February and March 2010 between four NGOs (IEB, FASE, IMAZON, WWF) and IDEFLOR (Pará State Forestry Institute) to understand the different institutional perspectives and plan the next steps in the preparation of a seminar on community and family forest management in Pará.

Meeting in March with the director of IDEFLOR to discuss the seminar, and the elaboration of a state community and family forest

plan.

⑩ Activity 1.2: Participate in meetings to discuss Community Forest Management public policies

Meeting in Brasília in January with the Community Forests Division of the Brazilian Forest Service to discuss a national CFM networking to be built from the state networks that IEB is animating in Pará and Amazonas.

Participation in the First Amazonia Community Forest Management Week, Rio Branco, June 2010. This was an important opportunity to influence the incorporation of the demands of the Pará and Amazonas working groups into the Brazilian Forests Service's Community Forest Management Annual Plan.

Participation in the meeting of the Public Forests Management Commission (CGFLOP) in June 2010, when IEB presented the results of the "Study on the contracts between Timber Companies and Settlers for the exploitation of timber forest products in the region of the BR 163 highway".

Participation in the seminar "Vegetable Oils of West Pará" in Santarém in August 2010.

⑩ Activity 1.3: Contribute to Community Forest Management development in municipalities of Southern Amazonas

Meeting in Humaitá in January 2010 with a group of six people to initiate discussion and networking to promote community and family forest management in the region. Experiences from Pará were presented to inform the debate on the subject which is just starting in the municipalities of Southern Amazonas. This was followed by a second meeting in March with the objective of planning a joint seminar with federal, state and municipal governments to delineate the implementation of community forest management centers (see Activity 2.1, below).

Objective 2: *Strengthen local capacity to implement forest management plans and the commercialization of forest products.*

⑩ Activity 2.1: Training workshops for organizations involved in community forest management in: natural resource management; production planning; commercialization; etc.

Organization of the First Regional Meeting on Community and Family Forest Management on Southern Amazonas, 28 to 30 April, 2010, in Manaus. The objective was to discuss the principal constraints to forest management in the seven municipalities of southern Amazonas. The main result was the creation of a coordinating commission to follow up on the proposals and demands expressed in the "Manaus letter" prepared by the meeting participants. The first meeting of the commission took place in May in Humaitá when the twenty participants produced a document defining the objectives and work plan of the commission.

Organization of the First and Second Regional Seminars to discuss the relations between Companies and Communities for Community Forest Management in Settlements of the INCRA SR30 region. The first seminar took place in Santarém on 8 July with 33 participants. The main result was the validation of the results of the study on the contracts between timber companies and communities. The second seminar on 9 and 10 September, with 46 participants resulted in the production of a letter from the community leaders containing their main demands for the improvement of the management of forest resources in the rural settlements of the region.

Two supporting thematic studies were undertaken: "Study on the contracts between Timber Companies and Settlers for the exploitation of timber forest products in the region of the BR 163 highway (INCRA SR 30 region)" and "Study on social and production organization for the processing and commercialization of non timber forest products". This second study was undertaken with a working group of four community leaders from the communities of Santo Antonio in the Moju Settlement and Nazaré, São Domingos and Pedreira in the Tapajós National Forest. .

Objective 3: *Improve the quality of professional training for community and family forest management and create the conditions to expand the availability of professional courses in Pará.*

⑩ Activity 3.1: Intern scholarships for IFPA students

Scholarships were awarded to six students (5 men and 1 woman) from the IFPA forestry technical course to undertake natural resource management field work in the communities of Porto de Moz (Verde para Sempre Extractive Reserve), Beterra (Tapajós National Forest) and Gurupá (riverside community). [See photo FEC Boletim No. 5]

⑩ Activity 3.2: Minister practical field module of the IFPA Community Forest Management course

This training module was delivered on September 19 to 22, 2010 to 26 students (15 men and 11 women) of the forestry technical course of the Federal Institute of Pará. The training took place in the field at the Abaetetuba, Pará, on subjects including natural resource ecology and management and social, economic and cultural aspects.

⑩ Activity 3.3: Systemize one Community Forest Management professional training experience

The results of the seminar on “Relations between Companies, Governments and Communities in the Brazilian Amazon” held in May, 2009, were systemized in a publication. This demonstrates that the questions involving the commercial relations between communities and companies are complex and cover a wide range of themes. For government agencies such partnerships represent an opportunity to implement public policies in the sector. For the companies, the partnerships facilitate access to traditional knowledge and information on the extraction of essential oils, open opportunities to manage community public forest and so gain market access to legal timber products with management plans. For the communities, which are normally the least favored and empowered by these relations, the main attraction is the opening of access to markets for their products.

Instituto Floresta Tropical (IFT):

Strengthen Technical Capacity of Amazon Forest Sector:

IFT originally proposed the execution of 20 courses, 9 of which specifically focused on stakeholders involved in forestry issues in 3 priority regions for the Federal Government: BR 230 (Transamazon), BR 163 (Cuiabá-Santarém) and BR 319 (Porto Velho-Manaus). The targets of 293 Amazon forest stakeholders trained and 20 courses executed were exceeded in dramatic fashion, with **472 people trained in 34 courses** (Supplemental Table 1). Course participants were well distributed among stakeholder groups in priority areas, including community members, government agencies, private sector practitioners, and educators (Supplemental Figure 1).

Extension Program in Forest Districts and Other Strategic Regional:

Awareness-raising events explaining potential benefits of forest management and its contribution for conservation are a crucial activity in the priority regions, since stakeholders in these regions frequently have a limited or even distorted understanding about FM. Original goals for this activity were 300 people reached in the priority regions through 10 extension events; in total **404 people participated in 14 events** (Supplemental Table 2). A primary target of extension events were new forestry students, with forest communities and smallholders also benefiting from extension (Supplemental Figure 2).

Maintain a FM-RIL Research Program:

During the reported period IFT continued to carry out measurements of existing forest plots in its research program and to establish new plots for forestry experiments. First, new measurements were made in the forest liberation experiment established in 1998 and in 2008¹ at Roberto Bauch FMC according to Dr. Wadsworth's² method. While the first experiment is currently useful to determine the growth of merchantable timber species due to the application of the treatment, the forest plots implemented in 2008 were useful to collect data on productivity and costs of implementing forest liberation. IFT's technical staff intends to publish until the middle 2011 its second article on forest liberation³ treatment in a scientific literature, this time analyzing the cost-benefit of forest liberation. Second, IFT crew conducted since the beginning of the wet-season (December) the maintenance and cleaning of demonstrative and experimental plots of silvicultural treatments such as enrichment planting in liana gaps, harvesting-gaps enrichment planting and post-harvest liana cutting. Twenty new plots of harvesting-gaps enrichment planting, using merchantable species as ipê (*Tabebuia sp.*) and mahogany (*Swietenia macrophylla* K.), and two new plots of enrichment planting in liana gaps⁴ were also implemented. Third, IFT, in conjunction with a research team from Esalq, continued research on management of NTFPs, highlighting species such as cipó-titica (*Heteropsis sp.*) and copaiba (*Copaifera sp.*). Finally, in the 2010 harvesting season (June-December), IFT started to implement an experiment⁵ aiming to evaluate environmental impacts, efficiency, productivity and cost for

¹ Funds to implement the second set of forest liberation plots at Roberto Bauch FMC were donated by USFS-IP through a small grant project.

² Researcher at USFS/IITF.

³ First article was headed by Dr. Wadsworth and J. Zweede and was published in the specialized journal *Forest Ecology and Management* in 2006 (FEM 233, p. 45-51).

⁴ Two articles were lead by Dr. K. Keefe, a research collaborator of IFT, relative to growth and a cost-benefit analysis for enrichment planting in liana gaps. Both articles will be sent to USAID when published.

⁵ Funds to implement this experiment were also donated through a USFS-IP small grant in July 2009.

traditional harvesting systems in upland Amazonian forests (“lowtech” systems) as *tatu* and *catraca*⁶. *Catraca* logging was executed for experimental purposes in September 2010, and the *tatu* logging will probably be executed in the first semester of 2011.

Within the reported period, two scientific studies were published internationally:

- Schulze, M.; Lentini, M. and Zweede, J. 2009. *Training needs for RIL and improved forest management*. In: Angelsen, A. (ed.). *Realising REDD+: National strategy and policy options*. Cifor. Bogor, Indonesia. p. 257.
- Keefe, K. et. al. July 2009. *Enrichment planting as a silvicultural option in the eastern Amazon: Case study of Fazenda Cauaxi*. *Forest Ecology and Management* 258 (2009) 1950-1959.

Update and Refine IFT's Training and Extension Materials:

In addition to routine updates of course and extension materials during the rainy season, IFT developed three manuals: (i) safety in RIL operations; (ii) felling techniques, safety in felling, and chainsaw maintenance; (iii) pre-harvest techniques adapted for communities and smallholders. The first was been printed and distributed in June 2010. The manual on felling is being printed and will be launched in October 2010. The third requires technical and editorial revisions before publication. IFT also collaborated with Brazilian NGO Imaflora to elaborate a manual of forest concessions for small-scale forest producers, published in May 2010.

Synergy with Other Cluster partners and USAID/Br. Grantees:

With regard to creating synergy and strengthening collaborative actions with USAID/Forest Clusters, the main effort so far has been to strengthen collaboration with IMAZON in the Calha Norte region. Imazon's work with protected areas in the Calha Norte region has generated complementary demands for IFT's efforts in working with community forest management issues in the region. IFT continues to discuss with IEB and Imazon eventual opportunities to interact also in community forest management issues. In August 2010, IFT travelled to the Balata-Tufarí National Forest in Amazonas together with IIEB, ICMBio, and the Brazilian Forest Service to discuss possible training opportunities with communities and associations surrounding the conservation unit. Finally, IFT has worked with USFS in organizing specific courses at the Roberto Bauch FMC, including two courses designed for decision makers and forest engineers from Peru (see section “Success stories” for further details).

Continue to Develop and Implement Strategy for Medium-Term Stable Financing and the Sustainability of the IFT Program:

IFT continues to work to increase training capacity by developing qualified instructors. Three junior instructors who joined the staff in 2008 are increasingly assuming responsibilities and in 2010 conducted less complex courses, such as the FM courses for forestry technicians. One of the junior instructors has also received training in botanical identification through UFRA – Amazon Federal Rural University.

IFT is continually improving its procedures for monitoring finances, based on new accounting and financial systems implemented at IFT over the last two years. In March, IFT administrative staff received a practical course on the financial computer system RADAR, which is entirely implemented and up-to-date.

⁶ *Tatu* (Portuguese for the word “armadillo”) is a traditional upland forests harvesting system which employs an agricultural tractor adapted for skidding of logs. *Catraca* is another traditional system in which logs are extracted from the forest using a rustic truck equipped with a system of steel cables used to load the logs.

Both Federal and State governments continue to discuss the establishment of a permanent IFT training center in the Brazilian Amazon. Knowing that the actual site selection and establishment period might be a few years away, IFT worked to secure funds to keep the present training program going during the meantime. Fundo Amazônia, managed by Brazilian Development Bank BNDES, has demonstrated interest in a proposal sent by IFT in December 2009, despite some reluctance to supporting the existing training center. Their main interest is to help IFT build a permanent center in a forest concession area.

Amazon Institute for People and Environment (Imazon):

Forest Management Transparency Bulletin:

We published the 1st and 2th Forest Management Transparency Bulletin in the State of Pará (see [Appendix 1& 2](#)) which received wide publicity in the national press (headline in the Folha de São Paulo newspaper; **Appendix 3**) and the local media (Diário do Pará newspaper, and SBT and Record television stations). The general objective of the report is to improve public management of the forest sector as well as to contribute towards expanding adoption of forest management by the private sector.

Permanent Forum for discussing the forest sector in Pará:

With leadership from the Federal Public Prosecution Service in Pará (MPF-PA) and participation by the Federation of Industries in Pará (Fiepa), Association of Timber Exporting Industries in Pará (Aimex), Association of Certified Forest Producers in the Amazon (PFCa), Union of Forest Entities in Pará (Uniflor), Association of Forest Engineering Professionals (APEF), Sema, Ibama, IFT and Imazon the Permanent forum for discussing the forest sector in Pará was created with the objective of identifying problems and solutions for the forest sector in Pará.

Partnership with IBAMA and MPF-PA:

The Brazilian Institute for the Environment and Renewable Natural Resources -IBAMA, the Federal Public Prosecution Service - MPF-PA and Imazon are working in partnership to improve the quality of forest management in Pará and combat the illegal timber trade. Through this partnership IBAMA has increased its seizures of illegal timber in the State (<http://www.ibama.gov.br/2009/11/ibama-em-altamira-bloqueia-e-multa-emr-97-milhoes-planos-de-manejo-em-anapu-no-para/>).

PAMFLOR:

With the objective of promoting improved forest management the State of Pará created the Program for Supporting Forest Management - PAMFLOR, through Decree Number No. 1.976 of November 27th, 2009, published in the Official Gazette Number 31.555 of November 30th, 2009 (*Appendix 4*). Imazon, a member of the executive for that program, will be responsible for remote monitoring of forest management plans.

Short Course Monitoring Forest Management Plans Using Satellite Images:

We capacitated 8 technicians of partners institutions (Brazilian Agency of Intelligence- Abin; State Public Prosecution Service- MPE/PA; Federal Public Prosecution Service - MPF/PA; Brazilian Federal Police; Land Institute of the Para State- Iterpa; and Bank of the Amazon-BASA) in technique of Monitoring Forest Management Plans using Satellite Images (*Appendix 5*). The knowledge acquired will be used to evaluate forest management plans with evidence of irregularities.

Institute for Ecological Research (IPÊ):

Information and training in tourism development in protected areas are essential to community members, stakeholders, and employees. During the 2009 fiscal year, training courses were mainly for members of the communities for they had requested assistance at tourism working-group meetings at the state level, and also at Protected Area Councils.

Priority was also given to activities related to the writing of The Anavilhanas' Public Use Plan (APUP) since it is an important topic to stakeholders monitoring the project. Exchange programs between communities and visits to other sustainable projects to promote implementation of sustainable initiatives greatly advanced during this phase. Product quality improved as result of many workshops and training sessions (see list of activities below) and some community members also participated (for the first time) in a National fair where they were exposed to different people, products, experiences, and ideas. They were also able to showcase and sell their products, as well as to network with other vendors. Finally, this year other communities began working together and getting more organized. As result of their improved cohesiveness, a Women's Club has enjoyed increasing recognition from local communities for their work with forest products.

The following tables describe the activities carried out from October 2009 to September 2010.

Activity 1: Ten expeditions were made to the communities involved in the Project.

Activity 1	Dates	Location	Participants	Objectives
1.1	09/18-19, 2009 11/14-17, 2009 11/24-26, 2009 02/2010	Three pilot communities of Julião, Nova Esperança, and São Sebastião, the latter two in the Cuieiras River.	IPÊ staff	Development of a tool for monitoring tourism; Field trip to various communities for planning activities for 2010, including a calendar for training sessions.
1.2	09/2009 11/ 2009 02/2010 - 09/2010	Three pilot communities of Julião, Nova Esperança, and São Sebastião, the latter two in the Cuieiras River and the town of Novo Airão.	IPÊ staff	Organize/schedule training courses; Select target audiences, dates, and topics; Collect information about tourism in the area; Assist São Sebastião community women's group and the Nova Esperança artisans improve product quality.

Activity 2: Several meetings, workshops, and training sessions with tourism stakeholders.

Activity 2	Dates	Location	Participants	Objectives	Results Accomplished
2.1	Numerous	Manaus	Tourism stakeholders	Create guidelines and regulations for visitation of protected areas in the Amazon.	A draft of regulations which is now being under legal review; Development of a system for visitor registration entering state-protected areas.

2.2	10/22- 23, 2009	Anavilhanas National Park	26 Participants: Representatives of stakeholders from Manaus, Novo Airão, governmental and non-governmental institutions, Anavilhanas National Park's Federal Environmental Agency's (ICMBio) team, and representatives from Brasília and Roraima.	Continue drafting the Emergency Public Use Plan (EPUP) including activities for the general public, defining visitation areas, and answering operational questions.	A draft of EPUP defining areas of activities for public use and answering operational questions from the Park official.
2.3	12/1-2, 2009		51 participants: Representatives from environmental and tourism institutions, Manaus, Para, Sao Paulo, and local community leaders.	Provide information; discuss pros and cons of tourism development in the area; share success stories.	Community representatives learned of successful tourism initiatives in other areas and left with a sense that perhaps similar results are attainable in their areas as well.
2.4	05/22, 2010 07/24, 2010 08/14, 2010	Communities of Juliao, S. Joao do Tupe, Nova Esperanca	82 participants from various communities. *Workshop in partnership with TSDR, Ministry of Tourism, and Ecological Corridors Project.	Better prepare community residents in the lower Rio Negro for sustainable tourism.	Participants learned about the role of local guides, how to identify tourism attractions, ways to receive tourists, and environmental aspects in tourism.
2.5	09/20-22, 2010	Nova Esperanca community	23 participants. *Workshop instruction was provided by Novo Airao Artisans Association	Improve production, marketing and quality of fiber handcraft products	Besides receiving qualified instruction about the products, participants shared their own experiences and explored strategies for success.

Activity 3: Promote exchanges of sustainable initiatives.

Activity 3	Dates	Location	Participants	Objectives	Results Accomplished
3.1	10/07-12, 2009	National Family Agricultural Fair, Rio de Janeiro	Women's group from Sao Sebastiao community was selected to participate in the booth designated to Amazon state.	Promote sustainable initiative strategies and exchanges; networking.	This was the first exchange at a national level and it opened up opportunities for participation at other fairs and events related to family and agriculture.
3.2	09/13-15, 2010		15 *Meeting in partnership with FAM, Ministry of Tourism and the Ecological Corridors Project.	Training in business administration, pricing strategies, and quality improvement.	Shared experienced, techniques, and learned about how to set a price value for artisan work.

Activity 4: Develop methodologies to monitor and evaluate the ecotourism activity.

A questionnaire for recording visitation to the communities involved in the Project was developed and is currently being taught to some community members. This questionnaire has already sparked curiosity from some residents who are now interested in learning its results.

Another evaluation tool in final stages of development is the brainchild of a Master's student interested in learning more about social relationships in the context of IPE's Ecotourism Project. Results of her research will be used for evaluating and monitoring the Project, its overall impact in the area, and how it affects tourism.

US Forest Service: *Collaboration with Brazilian Government Natural Resources Management Agencies and Governance of Forest Enterprise Cluster*

Forest Enterprise Cluster Governance

The USFS continued to support the Forest Enterprise Cluster by developing grants and mechanisms for transferring funds to the four principle NGO partners as well as transferring funds to small grants program. The USFS also assisted in developing performance reports, monitoring projects and financial reports.

Small Grants Program

During this reporting period eight Brazilian institutions were awarded with small grants. These grants are designed to support small initiatives with important objectives, which support the USAID Brazil Mission's Environment Program and the overall mission in Brazil.

I. Instituto Pacto Amazônico

Funds were awarded to Instituto Pacto Amazônico to strengthen community-based forest and agricultural of Humaita, city in the southwestern of Amazonas, through the capacity building of replicators in cooperatives. It promoted "community social organization" inside and around the Humaita National Forest and communities of the Calha da Madeira in Southern Amazonas region.

II. Instituto de Manejo e Certificação Florestal e Agrícola (IMAFLOA)

Institute for Forest and Agriculture Management and Certification (IMAFLOA) developed and coordinated a business event called Brazil Certified Trade Fair with the goal of increasing the public awareness about sustainable forestry, agriculture and certification. The past fairs have attracted over 40 exhibitors and over 4,000 visitors from all over the world. The fair had forest agricultural, companies and communities that produce and trade FSC forest certified products and Rainforest Alliance Certified Agricultural products. Besides the exhibition, there was a 2 day business forum with presentations discussing the results, benefits, challenges and trends of the market of the certified products.

III. Instituto Raoni

Instituto Raoni was awarded with funds to support salaries, materials and equipments aiming to build capacity TO prevent, manage and suppress fire in indigenous lands of Xingu. The program focused especially on indigenous brigades, taking advantages of their age-old traditional knowledge of fire, the purchase of equipment and payment of salaries for fire brigade members. Nearly 30 indigenous were trained in fire techniques. This initiative increased the demand for fire training from other indigenous groups.

IV. Conservacao Estrategica

Requested funds from USAID to elaborate a study of economic feasibility of one of the concessionaires in a Brazilian National Park. The main objective of this study is to support the concession process for activities and services and is part of a wider initiative of economic analysis in Brazilian National Parks.

Small Grants Program

V. CTI – Centro de Trabalho Indigenista

CTI was awarded funds to send representatives to attend the symposium “Globalization in the Amazon: Exploiting Natural Resources and the Sustainability of the Human Factor”, which was an international symposium held in Haifa, Israel, 26-28 May 2010. It brought together international experts from the diverse fields of the social and environmental sciences, and non-governmental organizations. CTI was invited to give a lecture concerning isolated indigenous people.

VI. OPAN – Operação Amazônia Nativa

OPAN was awarded to participate in the short-term training in Sustainable Environmental Management held at the University of California at Berkeley. The professional training was offered under the auspices of the Beahrs Environmental Leadership Program (ELP) of the Center for Sustainable Resource Development, College of Natural Resources, in collaboration with the Haas Business School.

VII. Rede de Sementes do Cerrado

This institution was awarded funds to support the 8th Krahô Traditional Seeds Fair held from 25th to 30th of September 2010, on indigenous Krahô territory, in State of Tocantins. The event allowed indigenous people exhibit and exchange seeds, techniques and traditional knowledge as well as have cultural exchange of songs, dances, music, rhythms and associated typical foods, as well as group discussions and trading of experiences about environmental conservation and related public policies.

VIII. RCA - Rede de Cooperação Alternativa Brasil

The project "Territorial Management of the Surroundings of Indigenous Lands: Exchanged to the Xingu Indigenous Park - MT ", was submitted to USAID Brazil Environment Program by Rede de Cooperação Alternativa (RCA-Brazil) to organize a collective exchange and workshop with 10 indigenous and indigenous organizations to Xingu Indigenous Park (Mato Grosso), around 40 participants attended the event. Through this exchange, RCA-Brazil completed a cycle of three collective exchanges focused on territorial and environmental management of indigenous lands theme.

US Forest Service: Bilateral Collaboration with the Government of Brazil and USAID Partners The USFS, in partnership with the US Agency for International Development (USAID), is collaborating with the Brazilian Government’s Instituto Chico Mendes for the Conservation of Biodiversity (ICMBio) in their efforts to increase visitation and public visibility in many of Brazil’s National Parks by providing technical assistance and training in a variety of areas from public use planning and monitoring to best management practices for concessions. During this reporting period, there were 3 technical visits by the USFS, ICMBio and Conservacao Estrategica (a Brazilian NGO partnering under this collaboration) experts. The first two visits occurred in April 2010 focusing on special uses, concessions and recreation fee programs. In addition, two Conservacao Estrategica visited with both USFS and National Park Service officials to discuss the economic evaluation and analysis of areas for concessions.

In May 2010, a team of specialists from the US Forest Service - Special Uses and Timberline Lodge Administrator on the Mt. Hood National Forest in Oregon and a Special Uses program manager on the El Yunque National Forest, Puerto Rico met with staff of the ICMBio working with public use and concession management programs in Brazilian National Parks. The team visited various park concessions and spoke with some of the concession operators and personnel about the range of concession services offered and program operations. The role of the Forest Service representatives was to observe and experience and help assess monitoring and evaluation of the concession operations and to provide a model and tools that could be incorporated into the ICMBio concession

management programs, operations and considered for the evaluation and monitoring process.

In August 2010, a team of USFS, ICMBio, Conservacao Estrategica and Colorado State University experts and program managers met to discuss capacity building needs for public use within ICMBio. Right now the time is to put increased emphasis on carefully planned and managed public use in Brazilian protected areas. Public involvement in decision making and public use for education and outdoor recreation is now a cornerstone of the Chico Mendes Institute (ICMBIO) strategy for promoting conservation of globally significant biodiversity and creating an expanded constituency for protected areas in Brazil. ICMBIO has recently expanded its staff and invested in new infrastructure in order to create new opportunities for public use and involvement. However, there is an acknowledged lack of skills, information, literature and experience to implement many facets of the new strategy. Making Brazilian protected areas more “user-friendly” will require a well trained, highly motivated cadre of public use specialists at ICMBIO.

To begin to seek solutions to these challenges, an initial meeting was held during the Brazil National Protected Area Congress in Curitiba in late 2009 involving representatives of USAID and the US Embassy in Brazil, USDA Forest Service, ICMBIO, Conservation Strategy Fund-Brazil, the Secretariat of the Convention on Biological Diversity and the Center for Protected Area Management and Training to discuss a training strategy for strengthening public use in Brazilian protected areas. Initial proposals were refined during a follow-up meeting at Colorado State University in August of 2010. All of those present at the meetings agreed that training and capacity building was a high priority. Thematic areas identified as priority areas were:

- ☐ Public use planning
- ☐ Infrastructure and trail planning and development
- ☐ Visitor management
- ☐ Interpretation
- ☐ Concessions and other partnerships for managing public use
- ☐ Leadership and capacity building for public use of protected areas

USFS is currently seeking funding for implementing the course in 2011. ICMBio and Ministry of Environment are in full support.

In addition to developing a new collaborative program with the ICMBio, the USFS has continued to provide expertise and developed opportunities for exchanging experiences between the USFS and the Brazilian Forest Service (SFB) and the Brazilian Agriculture Research Enterprise (EMBRAPA). During this reporting period, the USFS hosted several SFB and Embrapa program managers and researchers as they exchanged information with USFS Forest Inventory and Analysis staff about National Forest Inventory data collection and quality control. The USFS also supported a technical visit to learn about public affairs and communications both internally as well as to the larger public for the director of communications for the SBF.

In 2009 and 2010 there were three courses held in the State of Para and Acre on the best management practices for rural road planning and rehabilitation. The first week-long course was taught to forest practitioners and members of the Instituto Floresta Tropical staff, while the second week was tailored specifically to Forestry Professors from various backgrounds and locations within Brazil. The third course was taught in the state of Acre to government personnel. As a result of this and other logging roads courses held in the Amazon basin, a number of road design and management activities have been identified and discussed which could improve the function of the roads, improve long term use, and help minimize environmental impacts from the roads. These include better road planning, location, and alignment, improved road drainage, use of rolling dips, use of small temporary bridges, better use of roadway materials, and stabilization of cut slopes. These measures will help the long-term cost-effectiveness of the roads by helping the roads to achieve their design life (of 10 to 20 years), to reduce ongoing road maintenance costs, and help minimize or prevent costly road damage and needed repairs.

In December 2009, the USFS and USAID received a request from Brazil’s Ministry of Environment’ Pronafogo to support the establishment of a National Interagency Management System for fire management. Pronafogo was established in 2008 by the Ministry of the Environment to integrate fire management response and capabilities across all levels of government as a means to improve the efficiency and effectiveness of fire management across the country. USFS sent a team of three USFS experts to conduct a series of meetings and provide recommendations on next steps for establish a National Interagency Management System, Interagency Coordination System and Incident Management Teams.

The USFS also works on fire management at the local level by training fire brigades to prevent and suppress fire around the Xingu Region. The devastation caused by fire has one of the largest impacts on Amazonian ecosystems. According to Aliança da Terra, fires that occur every year in areas of the Amazon rainforest cause irreparable agricultural damage, dump tons of carbon dioxide (CO₂) into the atmosphere, and destroy biodiversity. The Xingu Fire Brigade is an Aliança da Terra initiative that began in May 2009.

Success stories

International Institute for Education of Brazil – IEB

Training forestry technicians for community forest management

Since 2006, IEB has been giving support to the training of forestry technicians at the Federal Institute of Pará, Castanhal campus, through the delivery of the community forest management discipline. Approximately 200 students have already graduated and recently we have had the opportunity to learn of two examples of students who have gone on to work with local organizations to strengthen community forest management. In Gurupá, a graduate is working as a monitor at the “*Casa Familiar Rural*” (Rural Family School) where he is working directly with the sons and daughters of farmers to increase their knowledge and technical capacity to implement sustainable forest management in their plots. In Santarém, another graduate is working as field operations manager with the Tapajós National Forest Producers Cooperative (COOMFLONA). *“I was approached by companies in other areas to work with commercial management, but my real desire was to return to my original roots and to apply the knowledge I had gained at IFPA. I really wanted to work with community forest management. When the opportunity arose to work with COOMFLONA, I didn’t think twice. The knowledge and understanding that I acquired during the technical course were fundamental for my professional career”.* (IFPA former student).

Influencing policy for community forest management in settlements

On July 28, 2010, IEB participated in a meeting in Brasília of the national Public Forests Management Commission (CGFLOP) and presented the results of a study which analyzed the contracts between companies and settlement communities in the region of the BR 163 highway, for the exploitation, processing and commercialization of timber forest products. CGFLOP is a consultative body of the Brazilian Forest Service (SFB). Among its functions is to advise, evaluate and propose regulations for the management of Brazilian public forests. It has 23 members representing government, social movements, the private sector and civil society.

IEB was invited to make this presentation due to the relevance of the study in relation to the subject of the meeting. This was to discuss community forest management, bringing together successful experiences to orientate government policy. *“Society is demanding rules that are simple, transparent and with minimum bureaucracy, and that the agencies have the capability to respond to the needs of the communities”* stated the Director-General of the Brazilian Forest Service (SFB)

IEB was represented by the Executive Director and manager of the Belém Regional Office. The manager explained to the 50 participants how the study was implemented following a request by the Brazilian Forest Service and with support from GTZ. The research was undertaken in nine municipalities and makes a critical analysis of the implementation of management plans in the settlements through contracts between timber companies and settlers. The study also highlighted some recommendations. One of these is that INCRA and SFB should review the contracts before they are formally signed by the settlers and companies. Partly in consequence of the presentation and discussion, INCRA subsequently revoked a recent regulation on community forest management in settlements and is preparing a revised version. *“The response to the study at the meeting was very positive, even influencing the future agenda of the Commission”* noted Manuel. As a follow-up action, the Commission requested INCRA to give priority to activities in the settlements included in the study.

Instituto Floresta Tropical (IFT): Sustainable Forest Management Training, Awareness-Raising, Research, and Technical Assistance

- Head of the USAID Environment Program for LAC visited IFT’s training center in October and was pleasantly impressed by the work on FM-RIL carried out in the field. This visit resulted in a collaboration between USFS/IP and IFT on two courses held at IFT’s training center for a group of Peruvians who were trained in July (Decision Makers) and August (FM

Managers). These courses are part of a long-term effort by USAID/USFS to replicate IFT's work in Peru.

- IFT was invited by community members of the Verde para Sempre Extractive Reserve in Porto de Moz (Para, lower Xingu region) to provide capacity building and technical assistance in forest management. This will be a great opportunity to apply some of the research IFT has carried out on low-tech harvesting and transportation methods.
- Another journalist course was held in late August and counted on the presence of five Brazilian and one French journalist. The courses for press carried out in FY09 continue to bear fruit with a series of reports in the Brazilian and International media:
 - ○ Folha de Sao Paulo, Oct 4th, 2009
 - ○ Le Monde, Oct 7th, 2009
 - ○ *The Jakarta Globe*, Nov. 25, 2009
- The two *Roads Courses* (i.e., techniques for building and maintenance rural infra-structure with minimum environmental impacts) carried out by IFT in partnership with the USFS/IP in October 2009 were a success. These courses helped increase synergy between IFT and its USAID/Forest Cluster partner USFS and also reached 28 people (5 forest entrepreneurs, 6 government agents, and 16 college professors). The fact that one of the courses was focused on university professors was a new and successful experience for IFT. IFT hopes to carry out a similar course designed specifically for university professors, who are excellent replicators, which will be focused on reduced impact logging in a general way (entrepreneurial and communitarian scale).
- Following a visit in August 2010, the Consultative Council of the Balata-Tufarí National Forest in Amazonas has formerly requested IFT provide FM-RIL training to the communities surrounding the area. This will most probably occur in January 2011.
- IFT successfully carried out a forest inventory in the Paru State Forest for the Para State Forest Institute (Ideflor). IFT was also hired to carry out a series of awareness-raising events about FM and forest concessions in the communities in the Calha Norte region.
- Brazilian NGO ICV invited IFT to carry out an assessment of the forest sector in Cotriguaçu. The information generated will compliment a pilot project on REDD+ in northwestern Mato Grosso designed by ICV with the government of the State of Mato Grosso and The Nature Conservancy.

Amazon Institute for People and Environment (Imazon):

Dissemination of the results of our work opened a door for discussion between the public sector (MPF/PA, Sema/PA and IBAMA/PA), the productive sector (Fiepa, Aimex, PFCA, Uniflor and APEF) and civil society (IFT and Imazon) through creation of the **Permanent Forum for discussing the forest sector in Pará**, whose objective is to identify the problems and solutions for the forest sector in Pará.

IBAMA/PA, the MPF-PA and Imazon established a partnership for improving the quality of forest management in Pará and combating the illegal timber trade. Since then, IBAMA has increased seizures of illegal timber in the State

(<http://www.ibama.gov.br/2009/11/ibama-em-altamira-bloqueia-e-multa-em-r-97-milhoes-planos-demanejo-em-anapu-no-para/>).

Institute for Ecological Research (IPÊ)

The Project was presented in November 2009 at the National Congress for Ecotourism in Vitória – ES where more than 1000 people were present for three days.

The project coordinator, manned the stand where the scientific work was being presented. The project coordinator visited the township of Mata de São João in the state of Bahia, to learn about the initiative of fauna observational tourism at the Jubart Whale Institute and the Tamar Project. This visit provided many ideas of how to work with environmental interpretation and fauna observational tourism, care taken and ideas on how to involve the community in this type of initiative. The plan to make an experimental trail using environmental interpretation for the Pied Faced Tamarin Conservation Project in the Julião community which will use environmental interpretation tools and fauna observation, led to the need to know other initiatives in Brazil that have similar objectives.

US Forest Service

- In this fiscal year, over 1,200 forestry personnel have been trained through the Forest Enterprise Cluster partnerships in the area of natural resources management and/or biodiversity conservation as a result of US Government assistance.
- Two USFS engineers traveled to Brazil to begin establishing best management practices for rural roads in the eastern Brazilian Amazon. The Brazilian Government's National Center for Forest Management (CENAFLO) collaborated with the USFS and IFT to develop a course for professors from Brazilian Universities located in the Amazon.
- The Brazilian Forest Service and the US Forest Service worked together to train Brazilian National Forest Inventory (NFI) managers and researchers on establishing and collecting data for the Brazilian National Forest Inventory (NFI). With the experiences gained, the Brazilian Forest Service's Director of the NFI, shared Brazil's experiences with the Government of Peru.
- The US Forest Service has hosted 4 technical visits by officials from the Brazilian Park Service to learn about special uses, recreation and concessions in US National Forests and Parks.
- In 2010, the US Forest Service and USAID have provided 6 scholarships to Brazilian Park Service Park Managers to attend protected area management seminars hosted by Colorado State University, University of Montana, and US Forest Service International Programs. Over the years, the US Forest Service has provided support for over 30 Brazilian Government Officials to attend annual protected area seminars.
- Conservacao Estrategica has completed economic analysis studies for 5 priority protected areas under evaluation for recreation and visitor use and provided training to 35 Brazilian Park Service managers on how to evaluate protected areas for recreational purposes.
- Since June 2009, the USFS, with support from USAID, Alianca da Terra and Instituto Raoni, sent 7 smoke jumpers to provide critical fire management training in the State of Mato Grosso, Brazil. The result of the training has been 200 individuals trained in basic fire suppression and prevention as well as the establishment of two hotshot brigades.
- The training has also resulted in the ability to successfully respond to 27 fires around the Xingu Region. Both farmers and indigenous leaders have worked together to extinguish several fires, which would have severely impacted protected areas, indigenous and forest reserves and agricultural lands. In addition, the very first indigenous brigade was established to suppress and prevent fires. The story was featured on USAID's Frontlines Newsletter.

Unexpected Achievements and Lessons Learned Not Captured Above

Instituto Floresta Tropical (IFT):

- With funds from the Moore Foundation, IFT was able to hire a highly-qualified professional to serve as institutional development officer, a new position that will strengthen the organization and relieve some of the administrative burden on senior technical staff.
- A Junior Forester has proven to be a great addition to IFT. Not only has she increased IFT's capacity to elaborate and review technical manuals and carry out extension events throughout the Amazon, but she also efficiently filled in as course coordinator for nearly four months.
- In October 2009, a FAO consultant visited IFT's training Center in Cauaxi to evaluate the location to be named as an exemplary case of FM in the tropics.
- Still in October, IFT was invited by FAO to participate in a meeting in Rome to discuss issues related to forest degradation. The FAO team demonstrated strong interest in the field assessment developed by IFT and its partners to quantify the damage caused to the forest by logging. It is important to note that the method used by IFT to measure the impacts from logging was originally created with USAID and USFS support and published in 2002 in a booklet and a scientific paper led by Dr. T. Holmes, from USFS. IFT's presentation from Dr. Holmes' method originated a FAO working paper published in December 2009 (see reference in the section *Maintain a FM-RIL research program*)

Institute for Ecological Research (IPÊ):

The women's group that Ipê works with in the community of São Sebastião of the Cuieiras River was selected to participate in the Amazonian Stand of FENAFRA – the National Family Agricultural Fair on 7-12 October 2009 in Rio de Janeiro. This was an unexpected and excellent opportunity for them to see other groups and their products as well as be among the representatives of their state participating in a Fair of this standard.

Through the participation in the National Fairs both the women's group and the artisans could see the importance of quality work in

their productions as well as its identity and marketing. The group has since created their own logo and standardized their packaging.

The artisans group from the Nova Esperança community has also begun to work with improving the quality of their products, pricing their product fairly, choosing an identity and packaging.

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