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ADDRESSING BIODIVERSITY-SOCIAL CONFLICT IN LATIN AMERICA (ABC-LA)

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IN LATIN AMERICA (ABC-LA)**

(SEPTEMBER 2013–AUGUST 2014)

NOVEMBER 2014

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ABBREVIATIONS

AAT	Alianza Andes Tropicales
ABC-LA	Addressing Biodiversity-Social Conflict in Latin America
ANA	Peruvian National Water Authority
ANDI	National Business Association of Colombia
ASG	Artisanal and small-scale gold
BGI	Better Gold Initiative
BSAs	Biologically significant areas
CBO	Community-based organization
CEW	Conflict early warning
COC	Chain of custody
GRMMU	Regional Group for Monitoring Megaprojects in Ucayali
IDB	Inter-American Development Bank
IIAP	Instituto de Investigaciones de la Amazonía Peruana
IPA	Initial program assessment
M&E	Monitoring and evaluation
MinAgri	Peruvian Ministry of Agriculture
MINEM	Peruvian Ministry of Energy and Mines
MOU	Memorandum of understanding
NGO	Non-governmental organization
PMP	Performance management plan
SINCHI	Amazon Institute of Scientific Research
TAMIS	Technical and Administrative Management Information System
TOC	Theory of change
TOR	Terms of reference
UNAP	Universidad Nacional de Altiplano
UNU	National University of Ucayali

INTRODUCTION

Addressing Biodiversity-Social Conflict in Latin America (ABC-LA) is a USAID-funded project with a two-year base period and three one-year option periods, for a possible total of five years. ABC-LA is an innovative project that seeks to address negative impacts associated with extractive activities on biodiversity and vulnerable communities through interventions focused on improved local capacities for enhanced conflict mitigation and natural resource governance, as well as improved land tenure and property rights in focal areas. This is the ABC-LA project's first annual report covering the period from September 2013 through August 2014.

PROJECT GOAL

The ABC-LA project goal is “to improve indigenous/minority community and local/regional governmental capacities to better address conflicts (potential and ongoing) in the extractives sector that may negatively impact areas of significant biodiversity, thus leading to greater inclusion of marginalized groups.”¹ The project will cover areas of high biodiversity in Colombia and Peru where there is ongoing or potential conflict between the extractive sector and vulnerable indigenous or local communities. The focal components are biologically significant areas (BSAs) and vulnerable local and indigenous communities.

BACKGROUND

The increase in oil and gas exploration and development as well as both legal and illegal mining in Latin America has led to chronic low-grade socio-environmental conflict punctuated by periodic violence in communities in, or adjacent to, extraction zones. A key challenge for Peru, Colombia, and other countries in the region is finding the right balance between advancing the goals associated with economic growth and the obligation to protect remarkably rich and diverse environmental and cultural patrimonies.

Impressive economic gains, due in large part to increased extractive activities, have permitted nations in the region to reduce poverty levels during the last decade. This positive trend has been accompanied by significant increases in environmental degradation and growing pressures to BSAs and nearby vulnerable groups, including indigenous and minority communities. The expansion of legal and illegal extractive activities in increasingly fragile ecosystems is generating or contributing to pressures and stresses on biodiversity in protected areas and surrounding buffer zones, and threats to the well-being of vulnerable communities.

SUMMARY OF PROJECT STATUS AT THE END OF YEAR 1

In its first year, ABC-LA completed key foundational research necessary to guide the implementation of the project. With the sound theoretical and evidence-based footing provided by first-year deliverables, including the theory of change (TOC) framework and formative research studies to inform site selection, ABC-LA is on course to implement its 15-Month Workplan. This section highlights key accomplishments during the first year, grouped according to four principal activity areas: assessment, analysis, and mapping; development of the project TOC; outreach and engagement; and program management.

¹ Section C.3 of the ABC-LA Task Order.

Assessment, Analysis, and Mapping. ABC-LA used the first year to conduct analyses, mapping, and assessments to inform the selection of project areas and municipalities within those regions where it will focus its capacity-building efforts. The project was keenly aware of the risk of moving too quickly without adequate understanding of the local context and violating the principle of *primum non nocere*, or first, do no harm. In building relationships and bringing together disparate and “un-likeminded” groups, ABC-LA is helping to foster collaboration across a diverse and broad cross section of organizations and institutions to identify and advance shared goals and objectives. These include initiatives in Peru and Colombia that foster purposeful linkages and interaction between district- or municipal-level authorities and those from corresponding national-level ministries of environment, energy and mining, and agriculture, as well as ombudsman offices. The project is also working to strengthen the active engagement of civil society organizations and multi-stakeholder groups, including, for example, mancomunidades² in Puno, Environmental Management Committees in Ucayali, and the Permanent Roundtable on Mining in Colombia, that bring together private sector associations from the mining sector with government authorities and nongovernmental organizations (NGOs).

To advance these efforts during the reporting period, ABC-LA:

- Completed nine initial program assessments (IPAs). The purpose of the IPAs was to help inform project critical tasks, including identification of threats to BSAs posed by extractive activities, as well as related threats associated with ongoing and emerging socio-environmental conflicts. The IPAs also informed development of the project’s TOC and work planning, including planned activities and selection of sites at the subnational level where ABC-LA will prioritize programmatic efforts.
- Based on the IPAs, selected (with USAID) the project’s priority focal areas include the regions of **Ucayali** and **Puno** in Peru, and the departments of **Santander** and **Caquetá** in Colombia.
- Selected the following districts in Ucayali to serve as pilots for launching the conflict early warning (CEW) training: Callería, Campo Verde, Nueva Requena, Irazola, and Aguaytía.
- Significantly advanced the design, methodology and approach, and partnering for the **environmental baseline assessments** to take place in 2015 in Puno, Ucayali, and Caquetá. In Puno and Ucayali the proposed methodology has been aligned with the technical guidelines provided by the Environmental Ministry, and will be conducted by National University of Ucayali (UNU) and Universidad Nacional de Altiplano (UNAP).
- Defined the terms of reference (TOR), prequalified implementing partners, and identified focal areas of study down to the community level for the **vulnerable group assessments** in Puno, Ucayali, and Caquetá.
- Developed and designed the TOR for the **formalization of artisanal and small-scale gold (ASG) miners** activity, aimed to strengthen capacities of informal mining associations to comply with legal requirements for operating within the parameters of the law, including compliance with environmental and social standards. ABC-LA conducted consultations and field visits to the Ananea

Engaging Local Institutions as Partners

Twenty-nine firms responded to the project’s solicitation for expressions of interest in Peru, allowing the project to prequalify firms, so that as TOR for specific project activities are approved, the procurement process can move forward quickly.

² Mancomunidades are municipal associations that provide services and promote development projects prioritized by consensus of the municipalities involved.

district in the Province of San Antonio de Putina and initiated engagement processes with mining associations and regional and national government authorities, including the Direction of Formalization of MINEM, the main governmental counterpart. The project has also engaged with associations of mining engineers and other technical experts to explore viability of introducing cleaner technologies to help community-based mining associations reduce harmful environmental and social impacts.

Development of the Project TOC. ABC-LA's first year focused on conducting the foundational research and validation of the theoretical framework to guide implementation of this complex, multisectoral project. Development of the project's TOC was supported by Armando Valdés and a team from Alianza Andes Tropicales (AAT), a leading national authority on biodiversity program design and monitoring. Dr. Valdés and AAT helped the team link the community-level activity plan informed by the IPAs to the USAID Biodiversity Code, making explicit the complex linkages in this innovative project.

The overall TOC has two parts, which, taken together, constitute ABC-LA's overall TOC or development hypothesis:

1. **ABC-LA Situational Model**, which identifies the problem scope, biodiversity focal components, corresponding conditions, pressures and stresses, and primary programmatic interventions.
2. **TOC Framework**, which presents the results chain and programmatic interventions and activities, along with corresponding intermediate-level outcomes, objectives, and results leading to the project's overarching goal.

The TOC document provides both a common vision for implementation and a road map linking biodiversity, conflict in communities in or adjacent to extractive zones, natural resource management, and land tenure.

Outreach and Engagement. The project has prioritized continuous outreach and engagement with counterparts and stakeholders from multiple sectors and at various levels in both Colombia and Peru. Consultation and active cooperation with these stakeholders has helped inform the design and implementation of the IPAs, validate and ground truth the findings, and the select the project's four priority focal areas. Ongoing engagement of key stakeholders has contributed to a number of outcomes, including development and articulation of the project's updated TOC and work planning, as well as the approaches governing ABC-LA's primary interventions and the content of both crosscutting and site-specific activities responsive to the programmatic environment of each of the project focal areas. Following approval³ of the four sites and crosscutting activities, the project initiated more regional, district, and community level engagement.

"The ABC-LA project support is important for the Ministry strategy to delimitate the Paramo of Santurbán and specially the different economic activities with a sustainable approach and best practices."

—Luis Alberto Giraldo, Adviser to the Minister of Environment and Sustainable Development in Colombia

Program Management. Operational start-up in Lima presented a number of challenges, however, as the first year closes, the project has completed nearly all its planned operational start-up tasks. ABC-LA established a temporary office, quickly followed by a permanent project office and bank accounts. The project completed DAI corporate registration, and recruited, hired, and trained critical project staff. ABC-

³ The four sites were approved in early July 2014.

LA identified and recruited key consultants who have a range of technical skills to complement project capacity. Project management worked with the USAID Mission in Peru and submitted documentation to help incorporate the ABC-LA project within the amended bilateral treaty between the United States and Peru, governing assistance. The follow-up registration process involving USAID/Peru, the U.S. Embassy in Peru and the Ministry of Foreign Affairs and line ministries is ongoing, and is expected to be completed in the coming months. Along with other outcomes expected from the completion of this process is the accreditation of the ABC-LA Chief of Party, and normalization of his and his family's residency status.

PROJECT ACHIEVEMENTS

This section describes in detail achievements during the first year of the project. Appendix A provides a detailed review of activities completed during the project's first nine months as outlined in the project's first workplan.

ASSESSMENT, ANALYSIS, AND MAPPING

While the locus of ABC-LA programmatic intervention is at the subnational levels in Colombia and Peru, the project will implement a number of higher-level or crosscutting assessments/analyses in response to identified pressures, threats, needs, and opportunities directly related to the project goal and objectives. This set of crosscutting tasks includes the following:

- Conduct assessments of potential subnational sites for program activities so that specific districts/municipalities and communities can be identified for engagement and further program support.
- Assess impact of extractive activities on vulnerable populations and community dynamics, including through an intercultural and gender-focused analysis.
- Conduct analysis of value chain and chain of custody (COC) for gold in Colombia.
- Build and strengthen university partnerships—environmental baselines and scorecards.
- Strengthen capacities of artisanal miners to meet environmental and social standards by supporting formalization processes.

Following is a summary of what has been achieved in FY 2014 in these areas. Appendix B contains a table of all crosscutting activities, including targeted assessments, analyses, and regional workshops and seminars. These activities were selected because they can be linked with, and help establish the platform for, corresponding and complementary site-specific activities that will drive project results. Both crosscutting and site-specific interventions and activities will be implemented by locally and regionally based partners, with technical backstopping and support from the ABC-LA project staff and key consultants from the region who have the expertise to foster locally driven solutions.

INITIAL PROGRAM ASSESSEMENTS

In the early months of 2014, ABC-LA designed, developed, and conducted a series of IPAs in selected areas of Peru and Colombia during the project's assessment and mapping phase. The purpose of the IPAs was to help inform critical tasks, including identification of threats to BSAs posed by extractive activities, as well as related threats associated with ongoing and emerging socio-environmental conflicts. The IPAs were also intended to inform further development of the project's TOC and work planning, including planned activities and selection of sites at the subnational level where ABC-LA will prioritize programmatic efforts.

The assessment teams were composed of members with complementary and interdisciplinary skill sets. Members contributed to refining assessment tools, instruments, approach and methodologies, as well as interview guides and data collection and management protocols, before commencing IPA field work. Prior to beginning field work, ABC-LA initiated outreach and engagement of stakeholders, conducted desk research, and developed selection criteria to inform selection of IPA sites from which ABC-LA priority focus areas would be determined. ABC-LA consulted USAID on the proposed sites and shared workplans for conducting IPAs in Peru and Colombia, along with site-specific supporting documentation.



ABC-LA meeting with Mancomunidades and mayors from eight districts in the provinces of Carabaya and Sandia in the Puno region of Peru.

The following criteria were used to guide selection of IPA sites:

- BSAs threatened by the impact of extractive activities.
- Extractive activities negatively impacting BSAs.
- Vulnerable populations negatively impacted by extractive activities.
- Socio-environmental and land related conflicts (actual or emerging).
- Perceived political will at the regional/local level.
- Existence of likely programmatic allies.

Feedback and adjustments were incorporated into the IPA planning process and implementation prior to and during implementation of the IPAs. In Peru, IPAs were conducted in Piura, Loreto, Ucayali, Madre de Dios, and Puno. In Colombia, IPAs were conducted in Putumayo and Santander, with additional site visits made to Choco and Antioquia to assess relevant dynamics emblematic of threats, as well as to discern lessons from USAID-supported efforts in the formalization process involving ASG miners. A desk study and subsequent field visits were completed to assess dynamics in Caquetá. IPA team members then contributed to the compilation and analysis of data and information collected, and the drafting of IPA reports since shared with USAID.

IPA reports and supporting documentation provided sector and site-specific data, reference material, geo-referenced data, maps, and information concerning the nature and scale of extractive activities (legal and illegal), identified threats to protected areas and BSAs and of socio-environmental conflicts, as well as

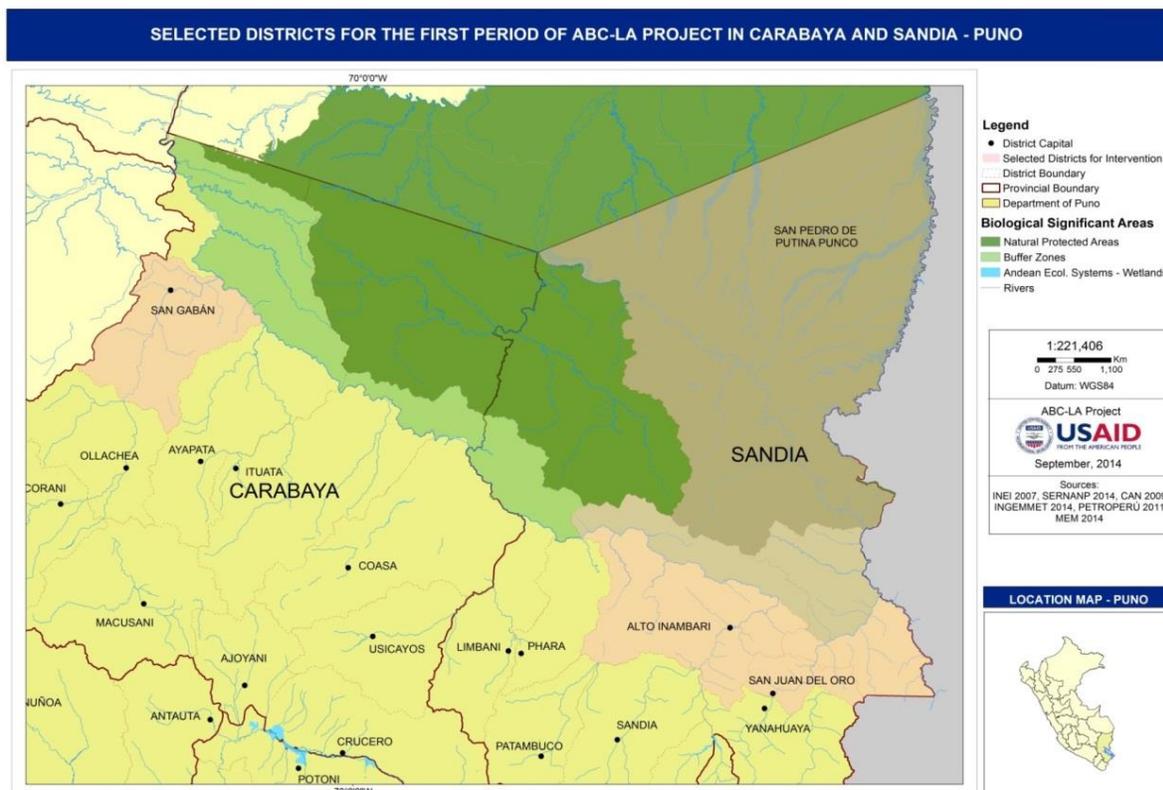
profiles and dynamics involving key public, private, and community-based stakeholders, including vulnerable populations.

The IPA reports from Peru and Colombia include the following:

- Executive summary highlighting threats, opportunities, and prospective project-relevant interventions.
- An assessment of regional/local context (political, economic data).
- Data on extractive activities, including oil, gas, and mining (legal, informal, and illegal).
- Financial data on regional allocations from state of revenues/royalties from extractive activities.
- Threat-based assessments of BSAs and protected areas.
- Identification of vulnerable groups, populations, and communities.
- Assessment of natural resource management/governance, land tenure, and land use.
- Threat-based assessment of socio-environmental conflict associated with extractive activities.

Geo-referenced data and maps with depiction of key variables were developed and included with the reports, along with concept maps that graphically represent some of the dynamics involving key local and regional actors, especially regarding issues of environment and biodiversity, extractive activities, and associated conflict.

The IPAs provided the evidence base to support, in consultation with USAID, selection of the four project sites: the regions of **Ucayali** and **Puno** in Peru, and the departments of **Santander** and **Caquetá** in Colombia.



The table below summarizes some key findings associated with the four principal sites.

	Priority Areas	Extractive Activity	Vulnerable Populations	BSAs
Peru	Puno	<ul style="list-style-type: none"> High number of large, medium, and ASG mining, including alluvial ASG mining, legal and illegal. Exploration and exploitation of oil. 	Indigenous/Native communities; Peasant communities; Small farming communities.	<ul style="list-style-type: none"> Ecosystems typifying both mountains and forests, wetlands, marshes, ponds and lakes; Watersheds (Suche, Large and Inambari). Four National Protected Areas: 1 PN, 1 RN, and 2 ACPs.
	Ucayali	<ul style="list-style-type: none"> Increasing levels of alluvial ASG mining, legal and illegal. Exploration and exploitation of oil and gas (31c). 	Indigenous/Native communities; Indigenous populations in voluntary isolation.	<ul style="list-style-type: none"> Ecosystems: Wetlands, tropical rainforest, watershed of the Ucayali river. Six National Protected Areas: 2 PN, 2 RC, 1 ZR & 1 ACR. 3 protected land reserves.
Colombia	Caquetá	<ul style="list-style-type: none"> High levels of mining, including alluvial ASG mining. High levels of exploration and growing exploitation of oil and gas. 	Peasant communities; Indigenous populations in voluntary isolation.	<ul style="list-style-type: none"> Biogeographic region Amazonian Piedmont; Watersheds: La Resaca, La Arenosa, Bodoquero, Fragua – Chorroso; Rivers: Ortegua, Caquetá, Peneya, Sencella, Tuña, Apaporis, Cuemaní, Mesai. Four National Parks including 1 Natural Regional Park and 1 Protected productive forest zone: Yarí-Caguán.
	Santander	<ul style="list-style-type: none"> Large, medium, and ASG mining. 	Peasant communities.	<ul style="list-style-type: none"> Ecosystems: Santurbán Páramo complex; Santurbán Regional Natural Park.

VULNERABLE GROUPS ASSESSMENT

- During FY 2014, ABC-LA defined the TOR for implementation of the vulnerable groups assessment as a study aimed to assess the socio-environmental impacts and threats derived from extractive activities in vulnerable groups in focal BSAs in Puno, Ucayali, and Caquetá, including a gender approach and interculturality. The TOR were sent to 11 pre-qualified organizations. Award and implementation will begin in early 2105.
- This assessment includes: a socio-environmental baseline with vulnerability standard indicators; conflict analysis to understand the nature, sources, and drivers, as well as local capacity gaps to address them; and analysis of knowledge, attitudes, perceptions, and practices related to conflict.
- ABC-LA established the focal areas to implement this assessment as a result of the field trips in Puno, Ucayali, and Caquetá:
 - In Puno, the Districts of San Juan del Oro and San Pedro de Putina; Punco in the Province of Sandia, as well as the districts of Alto Inambari and San Gaban in the Province of Carabaya.

- In Ucayali, the focal area of study defined is the Province of Coronel Portillo, specifically the community of Santa Clara de Uchuña in Nueva Requena District, the community of San Jose de Tunuñain Campo Verde District, the communities of Santa Rosa Tapishca, Flor de Ucayali and Calleria in Calleria District, and the community of Saweto in Masisea District.
- In Caquetá, the study is focused on six indigenous communities within the Municipalities of Solano, San José del Fragua, and Albania.

VALUE CHAIN ASSESSMENT IN COLOMBIA

ABC-LA and the Better Gold Initiative (BGI), which is a public-private partnership, driven by the Swiss Better Gold Association and supported by the Swiss State Secretariat for Economic Affairs, have been working to advance collaborative efforts for a proposed assessment of the value chain for gold in Colombia:

- ABC-LA and BGI have jointly developed TOR for this study, considering the revision of documents and publications provided and suggested by governmental counterparts like Colombia's Controloría General de la República, as well as USAID Colombia.
- The defined scope of the study includes the assessment on the cycle of production and commercialization of ASG mining and the possible adverse effects in BSAs and vulnerable communities. The collection of information available will be focused on value chain case studies at the national level, with emphasis in Caquetá, Santander, Antioquia, and Bolivar, to identify the main socio-environmental threats associated, as well as the obstacles to formalization and adoption of better practices.
- ABC-LA and BGI have identified potential implementing partners in Colombia, which will issue requests for proposals during the first quarter of FY 2015.
- During the first quarter of FY 2015, ABC-LA intends to sign a memorandum of understanding (MOU) with BGI as a framework of collaborative efforts to support market mechanisms in Colombia and Peru that honor compliance of producers with standards on traceability, accountability, labor conditions, environment, social governance, and community relations.

ENVIRONMENTAL BASELINE

In its first year, ABC-LA began the design process to implement a series of environmental baseline assessments in order to provide a basis for measuring and assessing changes in the selected BSAs where the project is actively working with vulnerable groups and others. Additional achievements in FY 2014 include:

- Development of the data collection plan and instruments for an environmental survey.
- Engagement with the Ministry of Environment and Sustainable Development and the Peruvian Autoridad Nacional del Agua, the official institution in charge of monitoring water quality.
- Data collection will be led by UNU, in Ucayali; in Puno, the environmental baseline will be implemented by UNAP.
- Under an MOU negotiated by ABC-LA, UNU and UNAP will provide the academic and research capacities to execute the environmental baseline, share the results, and make them available for decision making involving the government, communities, and civil society.

FORMALIZATION OF ASG MINERS

- In order to define the scope of this activity aimed to strengthen capacities of artisanal miners to meet environmental and social standards, ABC-LA explored opportunities of collaboration with public and private stakeholders.
- ABC-LA identified the Direction of Formalization of MINEM as the main governmental counterpart, which provided base documents and updated the team with the extractive conditions in Puno.
- Later, the ABC-LA team made a field visit to Ananea district in the Province of San Antonio de Putina to explore the conditions of the mining activity. The main impact found was related to the management of mud, which affects the Ramis River (and as a consequence the Titicaca Lake) and the water consumption of five districts: Crucero, Potoni, San Anton, Asillo, and Azángaro.
- During the last quarter, ABC-LA has developed TOR focused on: providing technical assistance to mining associations, which are in the last stage of the process; promoting socio-environmental standards according to the Correcting Instrument of Environmental Management (IGAG) presented in the formalization process; and coordinating with the Direction of Formalization of MINEM and local/regional authorities.
- At the beginning of the FY 2015, proposals will be solicited from potential implementing partners, such as Red Social. The review process of these proposals will include the participation and perspective of ASG miners.
- ABC-LA and BGI have engaged mining engineers to explore the viability of cleaner technologies with associations of informal miners in Ananea.



Gold miner in Ananea explains the use of mercury in current operations.

DEVELOPMENT OF A PROJECT THEORY OF CHANGE

In the early months of the ABC-LA project, it became apparent that its complex nature would require a more structured theoretical underpinning in order to make explicit the complex linkages. Using on-the-ground research from the IPAs and the recently issued Biodiversity Policy as key points of reference, ABC-LA developed an overall TOC and a results chain using the Miradi software, developed as a tool to implement planning and measurement best practices for biodiversity projects.

The overall TOC has two parts, which taken together constitute ABC-LA's overall TOC or development hypothesis:

1. **ABC-LA Situational Model**, which identifies the problem scope, biodiversity focal components, corresponding conditions, pressures and stresses, and primary programmatic interventions.

2. **TOC**, which presents the results chain and programmatic interventions and activities, along with corresponding intermediate-level outcomes, objectives, and results leading to the project’s overarching goal.

Developed with the support of Dr. Valdés and a team from AAT, a leading national authority on biodiversity program design and monitoring, the TOC describes how the project intends to address the identified conditions, pressures, and stresses to advance and achieve objectives throughout the period of programmatic intervention. The TOC also defines expected outcomes and results generated by interventions both during and beyond the implementation period.

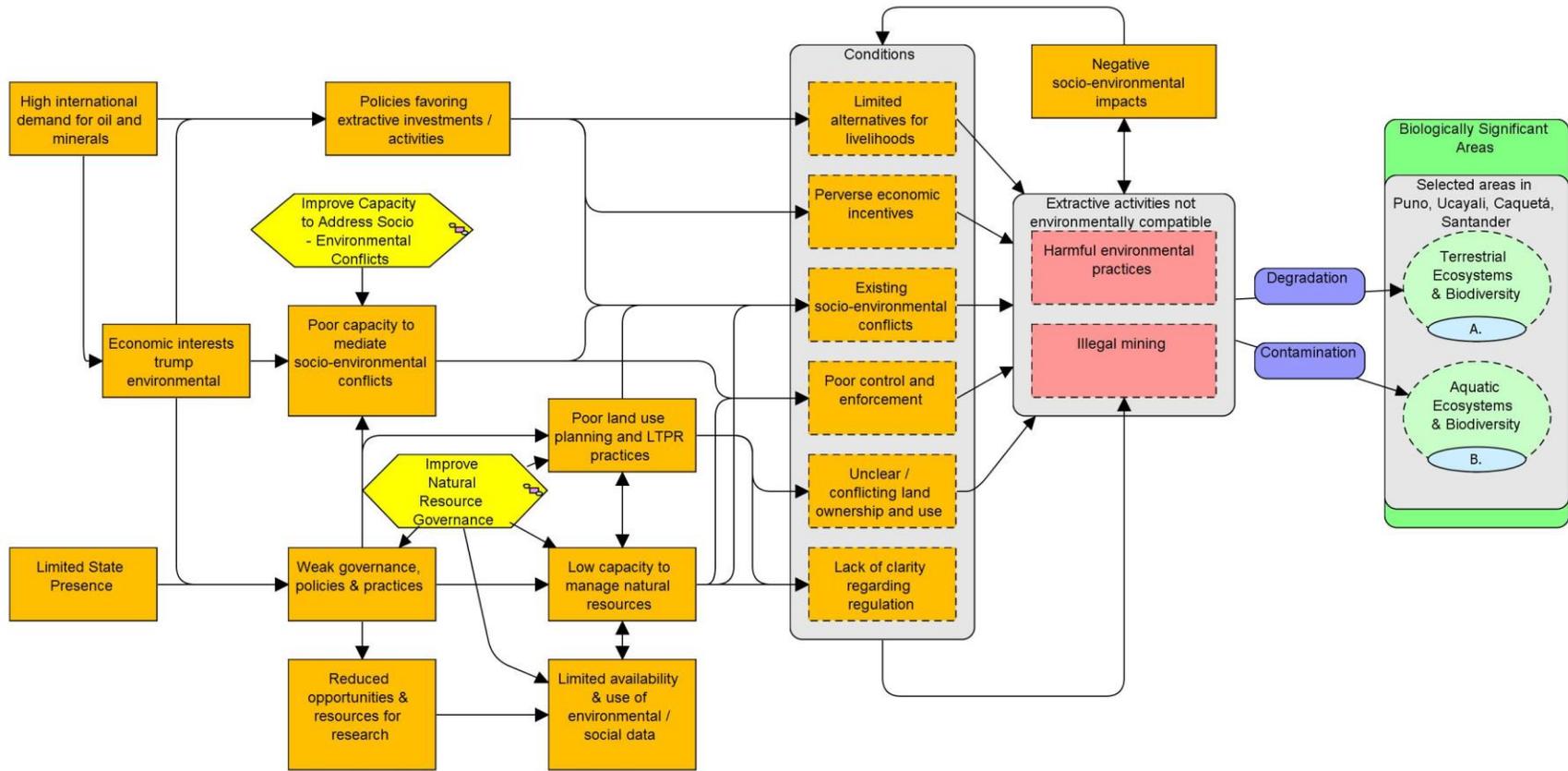
The project’s situational model (see Figure 1) takes as a starting point that the expansion of extractive activities during the past decade has fueled impressive economic growth and corresponding increases in pressure on environmentally fragile ecosystems, biodiversity, and socio-environmental conflict. Policies and practices in Colombia and Peru have prioritized investments in extractive resources in increasingly remote, marginalized, and biologically significant areas. Policies favoring extractive activities also contribute to weak natural resource governance; pressures on social and environmental well-being; and increased stress to ecosystems, habitats, and biodiversity. The region has also witnessed a dramatic growth in illegal and unregulated extractive activities, especially alluvial gold mining.

Critical drivers and pressures contributing to growing environmental degradation and increased social conflict are weak governance and the negative social and environmental impacts associated with extractive activities. If unaddressed, increasingly destructive social and environmental impacts in the project’s focal areas are likely, as is the potential for severe and potentially irreversible impacts on biophysical conditions and vulnerable populations.

“The ABC-LA Project offers the opportunity to share experiences between Colombia and Peru about a common problem like the informal and illegal mining and strength capacities of local institutions and communities.”

—Luz Marina Mantilla, Director of the Amazon Institute of Scientific Research (SINCHI)

FIGURE 1: ABC-LA SITUATIONAL MODEL



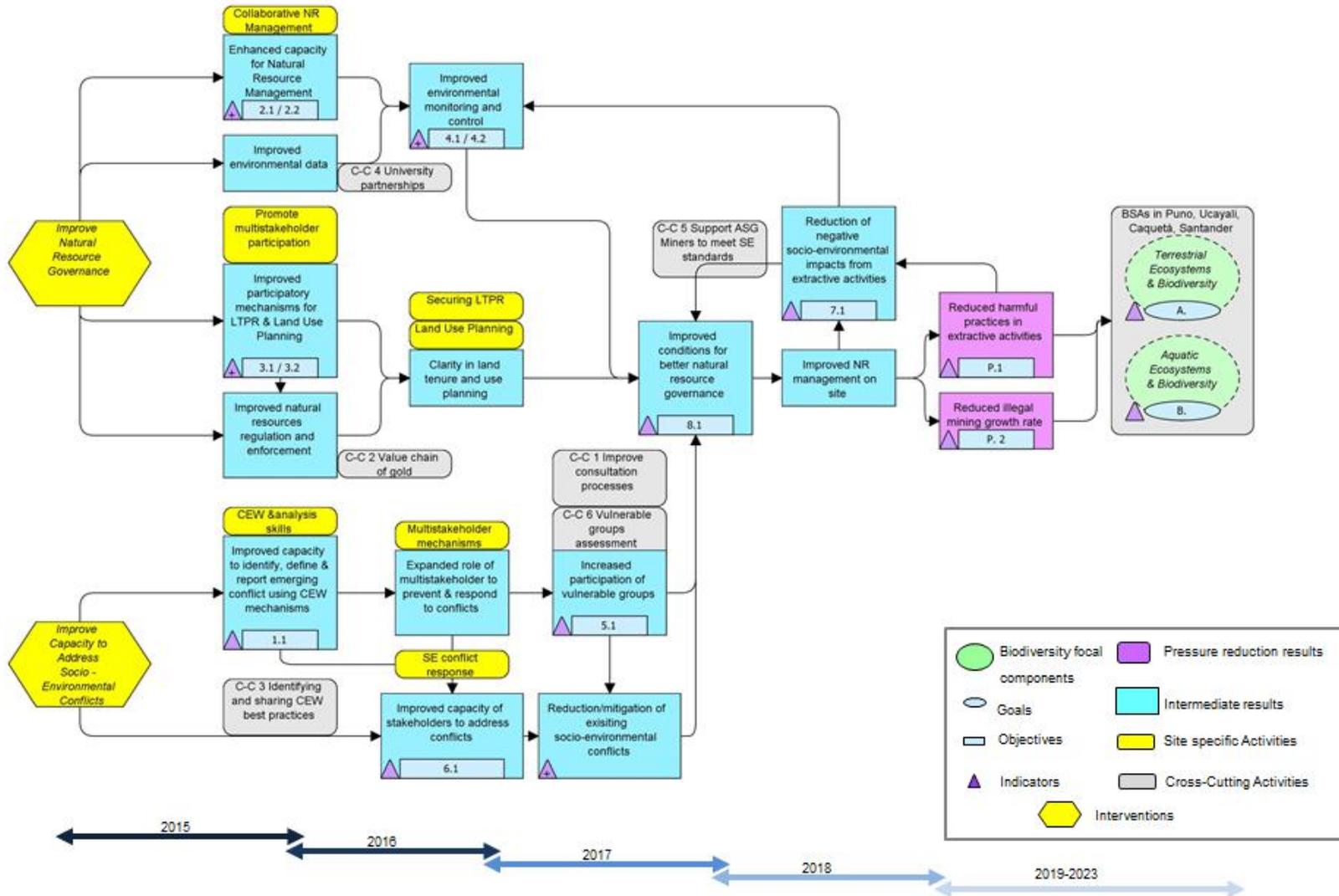
The starting point for the Natural Resource Governance and Socio-Environmental Conflict Management Results Chain (see Figure 2) begins with the terrestrial and aquatic ecosystems of the BSAs within Puno, Ucayali, Caquetá, and Santander that are under pressure from direct and indirect effects of extractive activities.

ABC-LA goals are to ensure healthy conditions of the terrestrial and aquatic ecosystems in selected project focal areas by reducing the stresses and related pressures posed by illegal gold mining and other harmful practices associated with extractive activities. Even though this reduction of pressures will not be achieved during the five years of the project, ABC-LA will be able to establish pre-conditions for, and demonstrate initial trends toward, achieving these goals through the two proposed overarching interventions.

The project's interventions focus on strengthening local capacity to better address socio-environmental conflict and natural resource governance in the focal areas.⁴ These interventions generate a series of intermediate results spaced throughout the project that will lead to reduction of the pressures and achievement of the project goals. Successful interventions in the project focal areas will result in reduced marginal growth rate of illegal gold mining and other harmful practices associated with extractive activities, thereby reducing degradation of biophysical conditions in BSAs.

⁴ See Appendix C for a graphic of the project's primary interventions for the next year.

FIGURE 2: NATURAL RESOURCE GOVERNANCE & SOCIO-ENVIRONMENTAL CONFLICT MANAGEMENT RESULTS CHAIN



OUTREACH AND ENGAGEMENT

ABC-LA's approach to outreach and engagement is directed toward bringing together diverse and often un-likeminded groups to advance shared objectives. In both Colombia and Peru, ABC-LA consulted widely with stakeholders at multiple levels, including those from environmental and extractive sectors, indigenous organizations, and civil society (including universities, applied research institutions, community-based organizations [CBOs], and NGOs). The project team sought to earn the trust of diverse stakeholders by demonstrating a commitment to advancing goals and objectives that reflect a balanced approach that mitigates negative impacts from extractive activities, while recognizing the need for the broader benefits associated with continued economic growth guided by more sustainable models for development at the local and national levels.

ABC-LA's customized outreach and engagement approach completed during this reporting period includes the following examples⁵:

- For the environmental baselines, it was imperative to ensure the scientific rigor, independence, and credibility of the data to be collected especially as such data had never been collected for these regions. We brought together national-level authorities responsible for environmental monitoring and enforcement, and water quality, together with regional environmental agencies and local authorities, as well as environmental engineers and scientists from premier applied research institutes like Instituto de Investigaciones de la Amazonía Peruana (IIAP) in Peru and SINCHI in Colombia, and local universities to define concepts, best practices, and applicable models for environmental baseline assessments, including the definition of indicators, sampling, and data collection methods.
- ABC-LA also consulted CBOs, NGOs, and multi-stakeholder groups like Grupo Regional de Monitoreo de Megaproyectos de Ucayali (GRMMU) and Peace Network of the Red Caquetá to provide input regarding the objectives and intended outcomes of both the environmental baseline studies and vulnerable groups assessment, while exploring opportunities for more active community and civic engagement in working with government counterparts and other stakeholders, collaborative means for better monitoring environmental and social stresses associated with extractive activities, among other sources of socio-environmental conflict.
- In Colombia, our work with the Swiss-funded BGI and business associations such as the National Business Association of Colombia (ANDI) helps ensure that private sector viewpoints and incentives are part of the overall analysis of the gold value chain. In order to achieve the project's overarching objective to reduce the negative social and environmental impacts of mining, it is important to bring all stakeholders to the table and incorporate appropriate incentives. The TOR for the analysis have been carefully crafted so that the study will produce the data and analysis without explicit recommendations that may place too much emphasis on one side or another. When the study is complete, the ABC-LA will then be able to bring together these diverse and un-likeminded groups in a neutral setting to foster dialogue and jointly develop recommended action plans.

As we establish a reputation as honest brokers, ABC-LA and its partners gain the confidence of diverse—and often un-likeminded—groups that studies and activities supported by the project will adhere to the

⁵ See Appendix D for a selected list of organizations the project has engaged with during the first year.

highest technical and scientific standards and be conducted in a fully transparent, consultative, and inclusive manner.

Looking Forward to 2015

The project has been asked by both the Inter-American Development Bank (IDB) and the Peruvian Ministry of Agriculture (MinAgri) to provide targeted technical assistance and support for the recently launched \$80 million program for Rural Land Titling and Registration in Peru. ABC LA's role has evolved into that of an honest and neutral broker facilitating discussion between these two organizations as they build a partnership to develop the capacity of local and regional government offices to increase communal land titling among indigenous and rural communities. One way in which ABC-LA will facilitate discussion is by introducing and sharing model approaches to land titling for indigenous and vulnerable communities that have been used in the region and may be adapted to the Peruvian context.

PROGRAM MANAGEMENT

OPERATIONS

In the first year of the project, the ABC-LA office in Lima was leased, furnished, and registered with municipal authorities. DAI registration in Peru was completed and the registration of the ABC-LA project with USAID Peru and the Peruvian Agency for International Cooperation was initiated. Additional achievements in the first year include:

- Completion of the DAI Operations and Grants Manuals, with submission of the Grants Manual to USAID.
- Installation of financial and administrative management systems, including DAI's customized Technical and Administrative Management Information System (TAMIS).

Major Tasks	Status	Completion Date
Operational Start-Up		
Recruit and hire local staff	Complete	Feb 2014
Finalize project staff	Complete	Apr 2014
Identify temporary office space	Complete	Nov 2013
Identify final office space and negotiate lease agreement	Complete	Feb 2014
Mobilize Chief of Party	Complete	Oct 2013
Set up project bank accounts	Complete	Mar 2014
Begin registration process for ABC-LA project with Government of Peru	Complete	Dec 2013
Set up permanent project office with furniture and computer equipment	Complete	Mar 2014
Establish project office filing and administrative systems	Complete	Apr 2014
Set up field office finance systems	Complete	Apr 2014
Train staff in DAI administration, management, and financial systems	Complete	Apr 2014
Finalize project Operations Manual	Complete	Apr 2014

Major Tasks	Status	Completion
TAMIS customization	Admin modules complete	Apr 2014
	Technical module customization pending workplan approval	Dec 2014
Field accounting system customization	Pending for late 2014	Dec 2014
Grants and Subcontracting		
Draft Grants Manual	Complete	May 2014
Submit Grants Manual for USAID approval	Complete	Jun 2014

STAFFING

The ABC-LA team is composed of eight full-time staff, both technical and administrative.

Complementing their skills is a roster of Technical Advisors who have expertise in specific areas relevant to the project.

Name	Position	Responsibilities	Reports to	Location
Key Personnel				
Jack McCarthy	Chief of Party	Overall project management and technical performance, management of DAI's Lima team.	USAID; E&E Managing Director, DAI	Lima, Peru
Victor Endo	Land Tenure/Property Rights Expert	Provides technical assistance in land and resource tenure, land regularization, registration, institutional land governance, biodiversity and resource rights.	Jack McCarthy	Lima, Peru
Non-Key Personnel				
Javier Camargo	Program Officer – Environmental Management and Governance Specialist	Provides technical leadership in environmental management and governance. Designs and implements the grant process and monitoring and evaluation (M&E) plans. Liaises with partners and vulnerable communities.	Jack McCarthy	Lima, Peru
Jean Morote	Grants and Operations Manager	Ensures compliance with grant procedures and contractual operations by managing the grants process, procurements, subcontractor relations, and awards.	Jack McCarthy	Lima, Peru
Milagros Castro	Program Officer – Biodiversity Conservation and Gender Specialist	Provides technical leadership in biodiversity conservation and gender. Designs and implements project activities, liaising with partners and vulnerable communities.	Jack McCarthy	Lima, Peru
Milka Urrutia	Project Accountant	Manages DAI finance and accounting procedures, banking activities, payroll, and financial logistics.	Susana Valle	Lima, Peru
Sandra Carrillo	Monitoring, Information and Communications Coordinator	Develops and implements the project's global communication strategy, including project reports, technical deliverables, and social outreach and engagement plans.	Jean Morote	Lima, Peru
Susana Valle	Finance and	Responsible for overall	Jack McCarthy	Lima,

Name	Position	Responsibilities	Reports to	Location
	Administration Manager	administration, human resources, procurement; supervisor of accounting, and logistics.		Peru
Vacant/TBD	Administrative Assistant/ Receptionist	Responsible for administrative support and logistics in the project office.	Milka Urrutia	Lima, Peru

Name	Title	Relevant Expertise	Location
Non-Staff Technical Advisors			
Armando Valdes	Biodiversity Training Specialist	Biodiversity science and capacity building for conservation. Management and monitoring of biodiversity programs and research. Training programs for capacity building and conservation.	Lima, Peru
Cesar Ipenza	Environmental and Extractive Activities Specialist	Indigenous peoples, natural resources governance and Peruvian and international environmental law, mining and hydrocarbons, land tenure.	Lima, Peru
David Varela	Colombia Country Advisor	Alternative dispute resolution, property rights regularization, governance issues, judicial reform of rule of law, institutional strengthening, industry and mining, and indigenous peoples.	Bogota, Colombia
Erick Aldana	Guatemala Country and Conflict Advisor	International and local conflict resolution and resource management facilitation, strategic planning and training. Sustainable Impact, Local economic development and protection for Indigenous communities and vulnerable groups	Guatemala City, Guatemala
Mariela Rodriguez	Local Governance Specialist	Social sciences, gender, community-based development, coordination with subnational governments and civil society organizations, training programs to promote gender and community engagement.	Lima, Peru
Paola Betancourt	Governance/Conflict Specialist	Conflict resolution, reintegration, reconciliation, demobilization, effect of extractive industries in armed conflict.	Medellin, Colombia
Romeo Martinez	Senior Science Advisor	Sustainable development, renewable natural resources, and environmental, ecological and human health risk, environment and natural resource protection and conservation, and policy making.	Guatemala City, Guatemala
Vladislav Michalcik	Program Officer	Legal and policy-related services in environment, human right, and governance. Capacity building, protection of vulnerable groups, rule of law, and accountability mechanisms.	Lima, Peru

ISSUES AND PROPOSED REMEDIES

While many issues have been resolved during the project's first year, one issue faced by project continues to pose a challenge.

The USAID Mission in Peru has been very helpful in supporting the ABC-LA project's incorporation within the amended bilateral treaty governing assistance between the United States and Peru. The follow-up registration process involving USAID/Peru, the U.S. Embassy and the Ministry of Foreign Affairs is ongoing and is expected to be completed in the coming months. However, the residency status of the ABC-LA Chief of Party and that of his family continues to be unresolved at this time.

Remedy: The project will continue to support the valuable efforts of the USAID Mission in Peru to advance this process. In the meantime, we have adopted an interim approach to ensure compliance with Peruvian residency requirements under the law.

APPENDICES

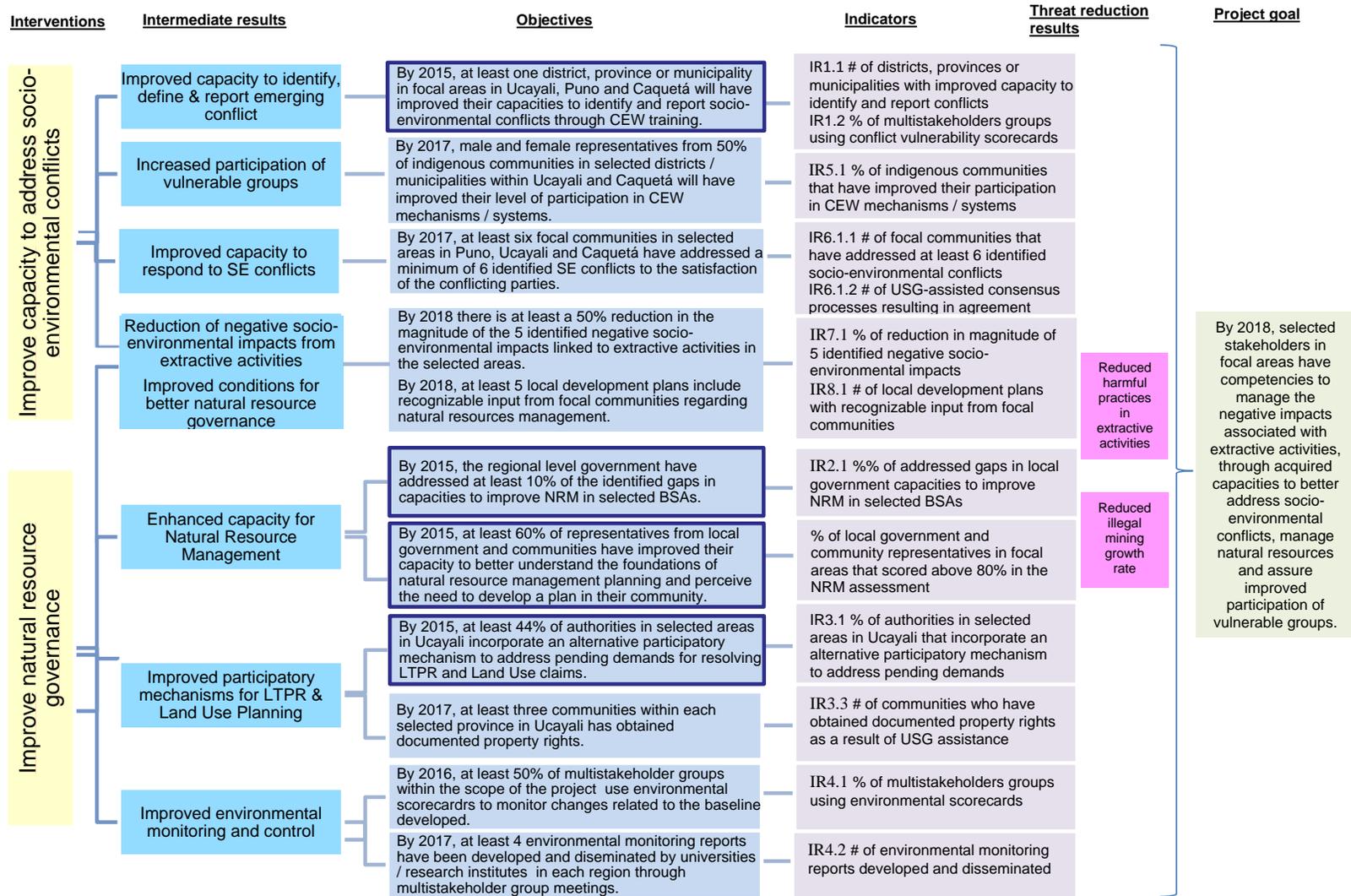
APPENDIX A: REPORT OF INITIAL PROJECT ACTIVITIES

Major Tasks	Status	Completion Date
Work Planning		
Submit initial draft workplan	Complete	Oct 2013
Submit final nine-month workplan	Complete	Apr 2014
Identify and contract technical experts for biodiversity, gender, and evaluation	Complete & on going	Aug 2014
Internal team-building workshop	Complete	Dec 2014
Develop and finalize project TOC	Complete	Sep 2014
Draft 15-month project-level workplan (includes detailed country workplans for Peru and Colombia)	Complete	Jun 2014
IPAs		
Design methodology and approach	Complete	Feb 2014
Identify initial target communities and areas using threat analysis, field assessments, community mapping exercises, and community dialogue	Complete	Feb 2014
Select target communities using selection criteria	Complete	Feb 2014
Conduct IPAs in Peru (Piura, Loreto, Ucayali, Madre de Dios, and Puno)	Complete	Mar 2014
Conduct IPAs in Colombia (Antioquia, Choco, Apaporis [Amazonas], Putumayo, Santander, and Tolima)	Complete	Apr 2014
Draft IPA results	Complete	Apr 2014
Submit IPA draft report to USAID	Complete	May 2014
Stakeholder engagement	Complete	Apr 2014
Consult with USAID missions and key stakeholders in Peru and Colombia	Complete	Apr 2014
Establish USAID and stakeholder communication protocols	Complete	Apr 2014
Performance M&E		
Review USAID standard and custom indicators for biodiversity, land tenure, and conflict programs	Complete	Jun 2014
Develop working draft TOC for project	Complete	May 2014
Select Draft Indicators for Establishing Baselines During IPA		
Draft performance management plan (PMP)	Complete	Jun 2014
Submit initial PMP for USAID approval	Submitted	Jun 2014

APPENDIX B: SUMMARY OF CROSSCUTTING ACTIVITIES

Crosscutting Activities	Summary	Purpose	Partners/Allies
AC-C#1. Assess and promote dialogue on the rights to prior consultation.	Collect, systematize, and map existing donor-supported initiatives; Provide analysis of areas of substantive areas of convergence/divergence between government, private sector, and civil society and support workshops with key stakeholders to expand areas of convergence for best practices.	Contribute to means and opportunity to expand areas of consensus and help address current obstacles to realizing more effective and inclusive consultative processes in Colombia and Peru.	UN Special Relator on Rights of Indigenous Peoples; counterparts from the World Bank, OAS, Ombudsman Offices, Ford Foundation and GIZ.
AC-C#2. Conduct analysis of value chain of gold.	National level study Value Chain Analysis for gold in Colombia Subnational level study of the COC for gold in Puno	Identify the dynamics associated with mining and sale of gold in Colombia, where 90% of gold is either mined or sold illegally. Support policy and practices to improve compliance with environmental, social and legal standards.	BGI, ANDI, Agencia Nacional de Minería (ANM), Ministerio de Minas y Energía (MME), Ministerio de Ambiente y Desarrollo Sostenible (MADS) y ARM.
AC-C#3. Identify best practices in CEW and resolution efforts.	National level workshops in Peru and Colombia and a regionally based conference.	Share best practices, techniques and lesson learned for CEW and conflict resolution efforts by multiple stakeholders, including public and private sector partners.	Grupo de Dialogo Latinoamericano Mesa Permanente de Diálogo Colombia, GIZ, Grupo de Diálogo Minero Perú, Diálogo Sur, as well as universities and both public and private sector partners.
AC-C#4. Build and strengthen university partnerships – Environmental assessments and score-cards.	Strengthen network of stakeholders and support expert analysis through environmental baseline assessments. -Provide basis and local mechanisms for measuring / assessing changes. Help identify and improve awareness about current, emerging and cumulative threats; and, Inform decision making, policies and practices to improve natural resource management/governance.	Articulate the CEW and environmental management efforts.	OEFA, IIAP, SINCHI, UNIA, UNAP, HESN and HEP.
AC-C#5 Promote Public Private partnerships – responsibly mined gold.	Strengthen capacities of artisanal miners to meet environmental and social standards Facilitate certification of responsible mining operations; Collaborate with public and private sector to generate incentives for responsible mining; Foster conditions to bring private sector demand for responsibly mined gold closer to certified and strengthened producers	Promote formalization processes led by the government through the ASG mining strengthen.	HESN, BGI, CECOMSAP, UNAP, SERNAMP, Ministerio de Energía y Minas.
AC-C#6. Impact assessment of extractive activities on vulnerable populations.	Conduct a qualitative assessment and analysis of intercultural and gender dynamics associated with vulnerable populations in priority areas in and around BSAs and especially indigenous communities threatened by extractive activities.	Provide qualitative data & analysis to inform broader & site-specific project interventions and approaches for addressing referenced threats and systematic marginalization of vulnerable groups/communities.	Organización Regional AIDSEP Ucayali (ORAU), Organización de los Pueblos Indígenas de la Amazonía Colombiana (OPIAC) and Mancomunidades

APPENDIX C: ABC-LA PRIMARY INTERVENTIONS



APPENDIX D: SELECTED ORGANIZATIONS

Peru		
Category	Organization	Outreach Level
CBOs	GRMMU	Ucayali
	Management Committee [<i>Comité de gestión</i>] of National Park Cordillera Azul	Ucayali
	Community Patrol Organizations [<i>Ronderos</i>]	Puno
	Management Committee [<i>Comité de gestión</i>] of the Bahuaja- Sonene National Park	Puno
	Defense Front of the Ramis River Watershed	Puno
Universities/ Research Organizations	UNU	Ucayali
	National Amazonian Inter-ethnic University	Ucayali
	UNAP	Puno
	IIAP	Ucayali
Government Entities	Local governments of Padre Abad, Curimaná and Irazola	Puno
	Regional government of Puno	Puno
	Local Governments of Sandía, San Pedro de Putina, Punco Alto, Inambari, San Juan del Oro, Carabaya, San Gaban, San Antonio de Putina, Anenea.	Ucayali
	Municipal Association [<i>Mancomunidad</i>] of the Puno Amazon	Puno
	Municipal Association [<i>Mancomunidad</i>] of the Inambari Watershed	Puno
	Regional government of Ucayali	Ucayali
	Autoridad Regional Ambiental de Ucayali (ARAU)	Ucayali
	Ombudsman [<i>Defensoría del Pueblo</i>]	National
	Ministry of Energy and Mining (MINEM)	National
	Ministry of Environment (MINAM)	National
Ministry of Agriculture (MINAGRI)	National	

	National Water Authority	National
	Environmental Evaluation and Regulation Office (OEFA-MINAM)	National
	Socio-Environmental Affairs Office of the National Service of Protected Natural Areas by the State (OAAS-SERNAMP)	National
	President's Council of Ministers Office for National Dialogue and Sustainability	National
Private Actors	Central de Cooperativas Mineras de San Antonio de Poto de Ananea (CECOMPSAP)	Puno
	Central de Cooperativas Mineras Nevados de Ananea (CECOMIN)	Puno
	National Society of Mining, Petroleum and Energy (SNMPE)	National

Colombia		
<i>Category</i>	<i>Organization</i>	<i>Outreach Level</i>
CBOs	Organization of Indigenous Communities of the Colombian Amazon (OPIAC)	National
	Regional Committee of Cattle Ranchers	Caquetá
	Microenterprise Association of Caquetá	Caquetá
	Agro-Forestry Alliance Network of Caquetá	Caquetá
	Cacao Producer Committees of Caguán and Suncillas	Caquetá
	Agricultural Union Chamber of Caquetá	Caquetá
	Paramo area protection and conservation organizations	Santander
Universities/Research Organizations	SINCHI	National
	Educational Corporation for the Service of Amazonian Quality of Life (CRESCAVI)	National
	University of the Andes	National
	Javeriana University	National
	University of Florencia	Caquetá
Government Entities	Local governments of Solano, San Jose del Fragua and Albania Municipalities.	Caquetá
	Departmental government of Caquetá	Caquetá
	Local governments of California, Vetas, Suratá and Bucaramanga Municipalities.	Santander
	Departmental government of Santander	Santander
	Ministry of Environment and Sustainable Development	National
	Ministry of Mining and Energy	National
	National Hydrocarbon Agency (ANH)	National

	National Mining Agency (ANM)	National
	Inter-Ministerial Working Group	National
	Comptroller General of the Republic	National
	Corporation for the Sustainable Development of the Southern Colombian Amazon (CORPOAMAZONIA)	Caquetá
	Regional Autonomous Corporation of North Santander (CORPONOR)	Santander
	Ombudsman [<i>Defensoría del Pueblo</i>]	National
Private Actors	ANDI	National
	Large mining companies: Eco Oro Minerals Corporation, CVS Explorations, Galway Resources, and Barracuda	Santander
Multi-Stakeholder Platforms	Permanent National Round-table on Mining	National
	The Network for Environmental Justice in Colombia (AIDA)	National