

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Contribution in US\$	Local Currency Equivalent
	ITTO	513,527	
	IBENS	136,805	
	TOTAL	650,332	

## **ABBREVIATIONS**

ABC	Brazilian Cooperation Agency
ACAF	Community Agricultural Association of Forest Extractivists
ASCALBA	Agricultural Community Association of Liberdade
ASCASAM	Agricultural Community Association of Santo Antônio do Muçajá
ASPAFEMP	Association of Producers and Gatherers of the Maués State Forest – Parauari River
CENAFLO	National Center for Forest Management Support
CI	Conservation International
COAIMA	Maués Agro-industries Cooperative
HDI	Human Development Index
EMBRAPA	Brazilian Agricultural Research Corporation
FNMA	National Environmental Fund
GTA	Amazon Working Group
GTM	Management Working Group
IBAMA	Institute for the Environment and Renewable Natural Resources
IBENS	Brazilian Institute of Education on Sustainable Enterprises
IDS	Maués Institute for Development
IFT	Tropical Forest Institute
IMAZON	Institute of Man and Environment of the Amazon
IPAM	Institute for Amazon Research
ISPN	Institute for Society, Population and Nature
ITTO	International Tropical Timber Organization
MRE	Foreign Relations Ministry
NGO	Non-governmental organization
ProManejo	Project to Support Sustainable Forest Management
PZEV	Green Free Trade Zone Program
SDS	Secretariat for Sustainable Development
SEBRAE/AM	Brazilian Service for Assistance to Small and Micro Enterprises of the Amazon State
SEDEMA	Municipal Secretariat for the Environment

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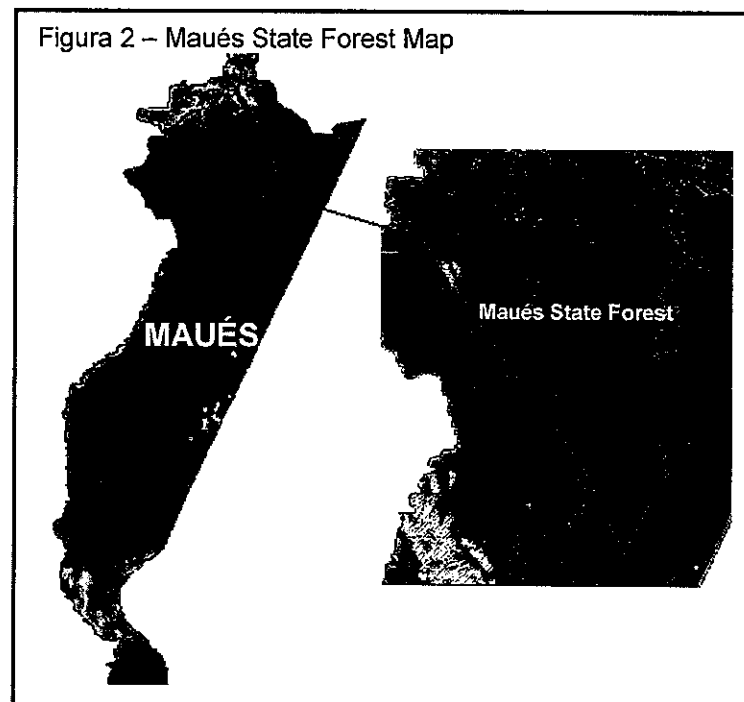
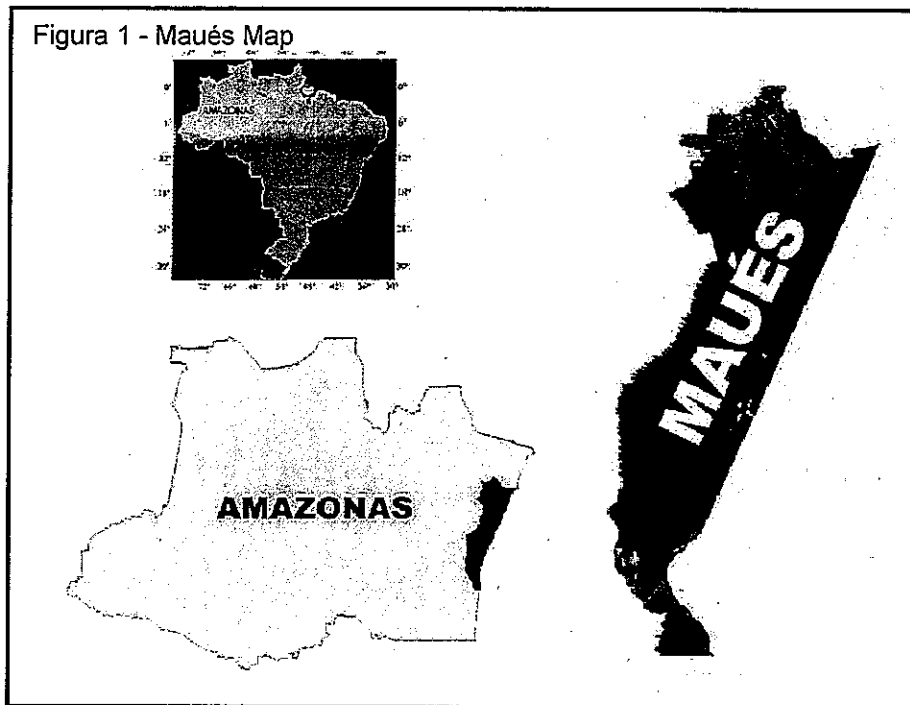
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## PART I: CONTEXT

### 1. Origin

According to Municipal Law Nº 012/2001, the Maués forest was declared Municipal Forest in 2001. However, since Amazonas State had the territorial domain of the area, in 2003 it was classified as State forest, according to decree Nº 23.450, of July 19/2003, declaring it a Conservation Unit to promote the rational utilization of natural resources of the region.

The Maués State Forest is located in the Mid-Amazon region. With a total area of 438,440.32 hectares (approximately 14,842 square miles or 1,083,400 acres), it is inhabited by 420 families divided into 17 communities (Table 1) that have lived in the region for over 50 years. These communities have settled around the rivers Parauari, Apoquitáua, Cicaná and Pacoval.



**Table 1 – Communities that make up Maués State Forest and surroundings**

Rio Apoquítáua	Rio Parauari	Rio Cicantá
Liberdade	São João	Santa Maria do Cicantá
Nossa Senhora Aparecida (Varre Vento)	Núcleo Comunitário Ebenézer	São José do Cicantá
São Sebastião do Pajurá	Nossa Senhora de Aparecida (Pingo de Ouro)	<b>Rio Pacoval</b>
São Raimundo	Nova Jerusalém	São João Batista
	Novo Paraíso	Monte Sinai
	Vila Darci	Vista Alegre
	Vila Nova Maringá	
	Laranjal	
	<b>Entorno</b>	
	Acãoera	
	Mucajá	

The Maués State Forest is a conservation unit of sustainable use, category which allows the presence of traditional populations within the area and the regulated economic use of natural resources.

Families living in the Forest have the concession to legally use the land (*CDRU – Concessão de Direito Real de Uso – Concession of Real Use Right*), which is issued by the ITEAM – Instituto de Terras do Amazonas (Amazon State Institute of Lands) and guarantees their permanence in the area of environmental protection and favor the implementation of family productive units. The concession is valid for 30 years and can be postponed for numberless times. Concessions can be collective or individual. Initially there were distributed individual concessions in order to attend demands from the own communities. The individual concession is also important once the small producer can access credit lines without having to ask permission to the community. It is important to point out that communities living in the Maués State Forest have collective practices, such as *guarana* and sugar cane plantations.

These families have been established in the Forest due to extractivism practices, especially of Brazilian rosewood (*Aniba rosaeodora* Ducke). Nowadays, Brazilian rosewood is no longer used for commercial purposes, however, there are other forms of extractivism besides *guarana* and sugar cane. Harvesting non-timber forest products contributes to the subsistence of the families providing them, for example, with food (Brazil nut and tucumã), home medicines (andiroba and copaiba oils, roots and bark of sucubá, ucuúba, and carapanaúba among others), raw material for arts and crafts (tucumã leaves) and building materials (lianas and palm leaves). In the Parauari River some families are investing in stingless bees rearing and others are still practicing illegal logging as a source of income generation.

IBENS - Instituto Brasileiro de Educação em Negócios Sustentáveis (Brazilian Institute of Education on Sustainable Enterprises) arrived in the region in 2002 by invitation of the Instituto de Desenvolvimento de Maués - IDS (Maués Institute for Development) with the objective of assessing the viability of acting in the region. The results of this assessment were highly positive and IBENS started its activities working directly with the communities and in partnership with local and regional entities, such as the Mamirauá Sustainable Development Institute, the Brazilian Service for Assistance to Small and Micro Enterprises of the Amazon State – SEBRAE-AM, the Brazilian Agricultural Research Corporation – EMBRAPA, and the Institute for the Environment and Renewable Natural Resources – IBAMA. In a period of eight months, from the end of 2002 to the beginning of 2003, with financial support from The Netherlands Embassy in Brazil, a series of studies were carried out with the objective of assessing economic options with good market potential, while implementing trainings to strengthen the productive and organizational capacities of local groups.

These efforts produced the following outputs: i) market studies for the three main products of the Maués Municipality: timber, *guaraná* (*Paullinia cupana* var. *sorbilis*) and fish; ii) a business plan for *guaraná* produced by the *Cooperativa Agroindustrial de Maués – COAIMA* (Maués Agro-industries Cooperative), and iii) a series of workshops and community activities geared towards strengthening community organization.

During 2005, IBENS was able to obtain financial resources from ProManejo, to promote organizational development, focus the community trainings on technical and legal issues related to community forestry, facilitate inter-regional community exchanges, organize an investor and donor roundtable, and provide scholarships to catalyze sustainable businesses the Maués State Forest.

IBENS continuously seeks other financial resources to support the economic viability of community business efforts based on Sustainable Forest Management. That is why IBENS is sending this proposal to the Brazilian Cooperation Agency of the Foreign Relations Ministry – ABC/MRE, to be submitted to ITTO.

Finally, it is worth noting that this proposal is consistent with the recommendations ITTO 2004 -2007 Program Framework for Cooperation in Brazil recently developed by the Brazilian Cooperation Agency and the Ministry of Environment through the National Forest Program. The framework defines a systemic approach for planning and approval process of technical cooperation projects sent by the Brazilian government to the ITTO. This approach includes: (i) the harmonization of the goals of the three working areas of the ITTO with the priorities of the national forest program and (ii) a public bidding process to receive proposals; (iii) the establishment of common and impartial judgment process including independent experts committee and a commission involving members of the National Forest Program Board, there included the Civil Society and the Private Sector, among others.

## **2. Sectoral Policies**

The Brazilian Forest Code (Law Nº 4771/65) contains legal prescriptions on the protection and use of ecosystems and other types of natural vegetation of the various biomes of Brazil. There is an urgent need to update this code, not only to incorporate concepts of sustainable development, but also because vast areas of natural forests have been destroyed and great expansions of land have been occupied without adequate planning.

The government of Amazonas State has established the *Programa Zona Franca Verde* – PZFBV (Green Free Trade Zone Program) which has, as one of its strategic components, the implementation of Conservation Units. The objective of PZFBV is to promote the sustainable development of Amazonas State based on four sectors: forestry, fisheries, agriculture and grazing, and tourism. The activities developed by these sectors must be environmentally adequate, socially fair and economically viable, and they must also involve managing the conservation units and promoting ethno-development in indigenous lands (SDS, 2004). Implementation of conservation units started in the town of Maués, which is located near the area where this project will be implemented.

In addition, the state government has also established the *Programa Amazonas Florestal* (Amazon Forest Program), which has the objective of collecting technical and administrative data related to the flora and fauna of the region and making them available to hinterland communities, producers, entrepreneurs, and traditional and indigenous groups. This program consists of three basic actions:

Optimization of the sustainable utilization of forest resources – the objective of this sub-program is to combine traditional knowledge with technical assistance, provide training on fauna and forest management systems, and encourage associations, cooperatives and entrepreneurs to adopt socially responsible practices by means of facilitating access to credit lines to the forest sector in hinterland municipalities.

Management of Conservation Units – establishment of a set of guidelines that will orient the adoption of a long term state forest policy within the Conservation Units with sustainable use, by means of extension activities and management programs, thus creating business opportunities and ensuring its perpetuation for future generations.

Organization of forest production chains – the action of promoting forest production chains and fauna resources aims at providing assistance to the organization of groups of entrepreneurs involved with the production and trade of timber and non timber forest products, and wildlife byproducts, to ensure the sustainable use of renewable natural resources.

The Maués State Forest is an area with forest cover composed predominantly of native species, governed by Amazonas State environmental legislation (Law 1532, of July 6, 1982, Chapter II, Art. 7). The basic objective of this law is to ensure the sustainable and multiple uses of forest resources and to provide support to scientific research, with emphasis on sustainable utilization of native forests.

According to the above-mentioned law, traditional communities that were living in the forest when the conservation unit was established are allowed to remain there, as specified in the regulatory norm and management plan of the unit.

Amazonas State is the largest state in Brazil, with a total surface area of 1,558,987 square kilometers, approximately 602,000 square miles. A large part of this area is covered with forests. Rivers and other bodies of water also cover significant areas and provide the main means of transportation to communities that live in the forest. Communication with these communities is slow and difficult and, frequently, information does not reach them.

One of IBENS' roles is to provide assistance to forest communities, making available managerial and technical knowledge so that they can develop sustainable forest based enterprises.

**In order to potentialize the activities proposed, IBENS will seek to collaboration of the government of the State of Amazonas since they have elaborated the Management Plan for Maués State Forest which is intended to be implemented during the year 2008 by the Center of Conservation Units (CEUC – Centro Estadual de Unidades de Conservação). The plan is composed of the following programs: (i) Program of Knowledge; (ii) Program of Public Use; (iii) Program of Integration with the Buffer Zone and Surroundings Communities; and (iv) Program of Environmental Management and Operations.**

**Therefore, all activities designed within the project' scope take into account the synergies potentially generated with the partnership established with the Center of Conservation Units. In the project's view the following components of the Management Plan for Maués State Forest are susceptible to collaboration:**

- **Social economy and public use, whic aims to identify local demands and the social profile of the population living in the State Forest;**
- **Environmental education in the schools within the State Forest;**
- **Capacity Building for local agents;**
- **Strengthening of community associations;**
- **Community involvement;**
- **Technical assistance and rural extension;**
- **Community management of timber products;**
- **Business management of timber products.**

This proposal is submitted according to the legislation currently in effect in the region, since it is based on the rational utilization of forest resources as an important tool for sustainable development; it also establishes partnership with local traditional populations for the implementation of sustainable enterprises. In addition, the objectives of this proposal and those of the financing agency are perfectly aligned with the official policies of the Amazon State for the forest sector.

### **3. Programs and Operational Activities**

The policies of Amazonas State for the forest sector aim at the strengthening the economy of the region and stopping the destruction of tropical forests. They are based on incentives to continue traditional activities, yet they incorporate appropriate technology to promote value-added products and assistance in marketing them.

Sustainable management of timber and non timber forest products is the backbone of this program. In other words, the forest policies established by Amazonas State are in perfect agreement with ITTO programs, especially with those concerning forest management and marketing of tropical woods.

## PART II: THE PROJECT

### 1 Project Objectives

#### 1.1 Development Objective

To contribute to the Sustainable Development of the Brazilian Amazon Forest.

#### 1.2 Specific Objective

To strengthen the implementation process of community forestry as means to promote the sustainable development of communities of the Maués State Forest.

### 2 Justification

#### 2.1 Problems to be addressed

As presented in PART I, this project fits within a larger process that started about four years ago when the communities of the region requested IBENS to develop a training program on community forestry. During the implementation of previous phases it was possible to identify other actors that were interested in this process: neighboring communities, regional NGO's, and the Amazonas State Secretariat for the Environment, the agency in charge of managing the Conservation Unit. Annex I presents an analysis of key stakeholders.

On the basis of the work carried out by IBENS in the region, an assessment of the current social, economic, and environmental situation of the forest was prepared. Thus, it was possible to identify four key aspects that are hindering the sustainable development of the region. They are the following:

#### **a) Low level social organization and economic desaceleration process**

Due to the difficulties presented by geographical isolation, in the beginning families got together and formed small villages that, as time passed by, became the communities that are the object of this proposal.

However, in these 17 communities there are only three community associations: ASCALBA - *Associação Comunitária Agrícola de Liberdade* (Agricultural Community Association of Liberdade); ASPAFEMP - *Associação de Produtores Agroextrativistas da Floresta Estadual de Maués* - Rio Parauari (Association of Producers and Gatherers of the Maués State Forest – Parauari River), and ASCASAM - *Associação Comunitária Agrícola do Santo Antônio do Mucajá* (Agricultural Community Association of Santo Antônio do Mucajá). Although they maintain inter-communal relationships, these communities are not strong enough to seek their rights in the new context brought about by the law that established the Maués Forest as a Conservation Unit.

In addition, some local governmental institutions have encouraged the adoption of the Simplified Forest Management model (individual, not collective management), therefore inducing greater isolation among families. This model runs against the strengthening of economies of scale, bargaining power, access to credit and markets.

**Besides facing the fact they live in a remote area which contributes for the low level of social organization, they begin to make part in a vicious cycle of trying to solve their problems on an individual basis, contributing to the presence and permanence of intermediaries in the region bartering the non-timber forest products harvested for subsistence, such as nuts, home medicines (andiroba and copaíba oils, roots and bark of sucupúba, ucuúba, and carapanaúba among others), raw material for arts and crafts (tucumã leaves) and building materials (lianas and palm leaves). It also contributes for local economy's disacceleration since the bartering activity promoted by intermediaries results in the decrease or total inexistence of cash circulation.**

#### **b) Communities have very limited technical knowledge on forest management**

Due to the fact the subsistence culture is so pronounced, especially because it is based on the production of manioc flour, fishing and gathering of products from the forest, logging methods are very primitive. Trees are cut only when the local dweller needs cash or when requested by middlemen.



The entire process, from the selection of species to be logged up to the delivery of the wood on the river banks, is carried out totally without planning. Some species that do not have any market value are cut and when they are delivered to the middleman, the local dweller has to accept whatever price is offered to him.

Usually the tools and equipment used in logging operations are in a poor state of repair. In addition to compromising the quality of the product obtained, they pose serious health and safety issues for workers. Most of the time the wood is sold in log form, without any further processing.

Very often, undersize trees are cut, there is no operation to eliminate lianas; harvesting is carried out ignoring directional felling techniques, risking the operator's life and damaging neighboring trees. Logs are removed without any previous planning of skidding trails, which results on high impacts to the health and productivity of the forest, with excessive canopy openings. In the few instances where logs are transformed into boards and planks, poor sawmilling techniques result in much waste and poor quality of the final product.

Government agencies that act in the forest, such as SEDEMA - *Secretaria Municipal de Meio Ambiente* (Municipal Secretariat for the Environment) do not have the necessary human and financial resources to provide training to all communities, so that these communities could benefit from their work and use the economic potential of the forest in the region.

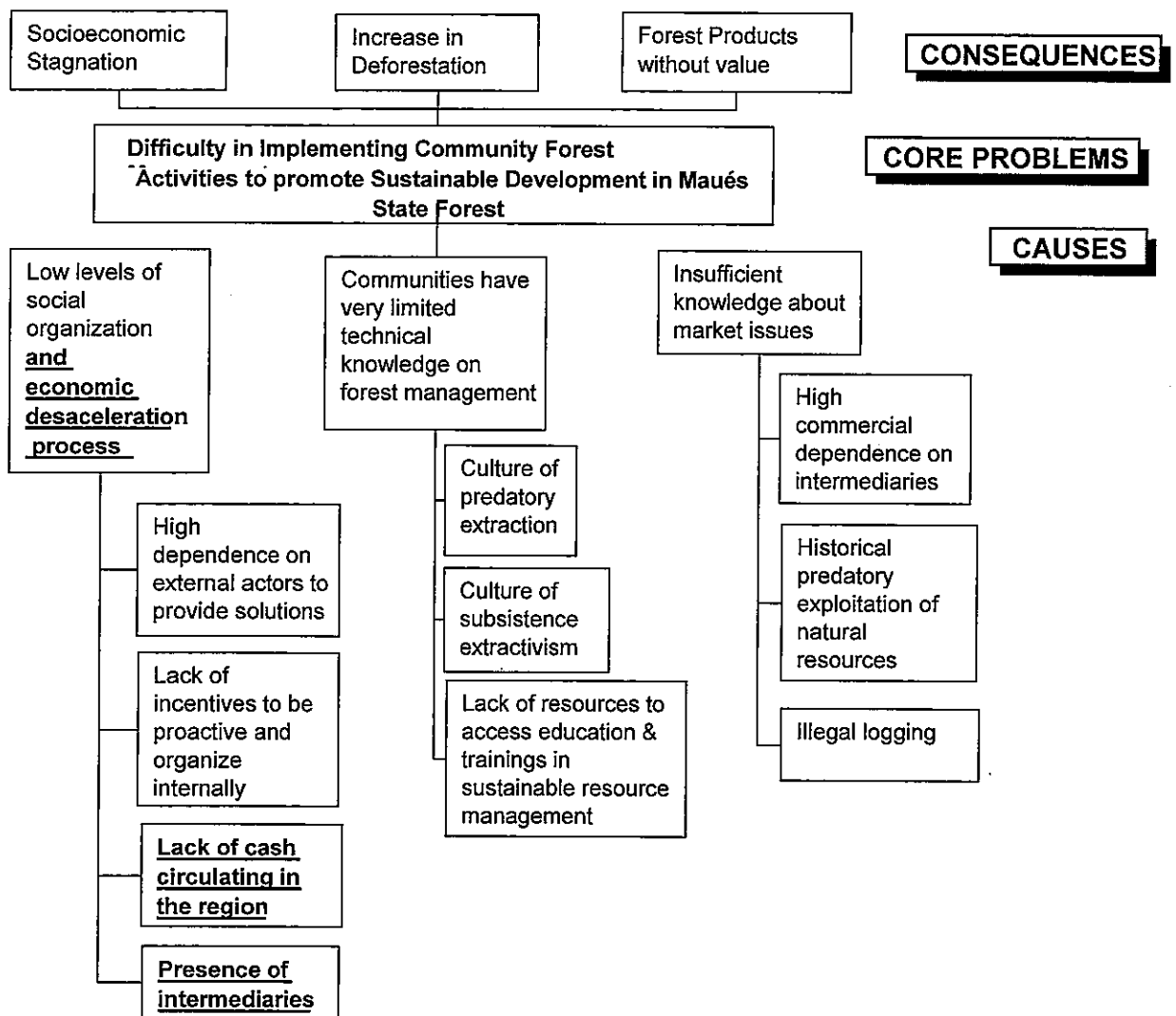
### **c) Insufficient knowledge about market issues**

Due to the fact that the middleman determines price, quantities and species to be harvested, and also because there is a great difficulty in obtaining current and impartial information, forest communities are not aware of the market value of their natural resources and potential products.

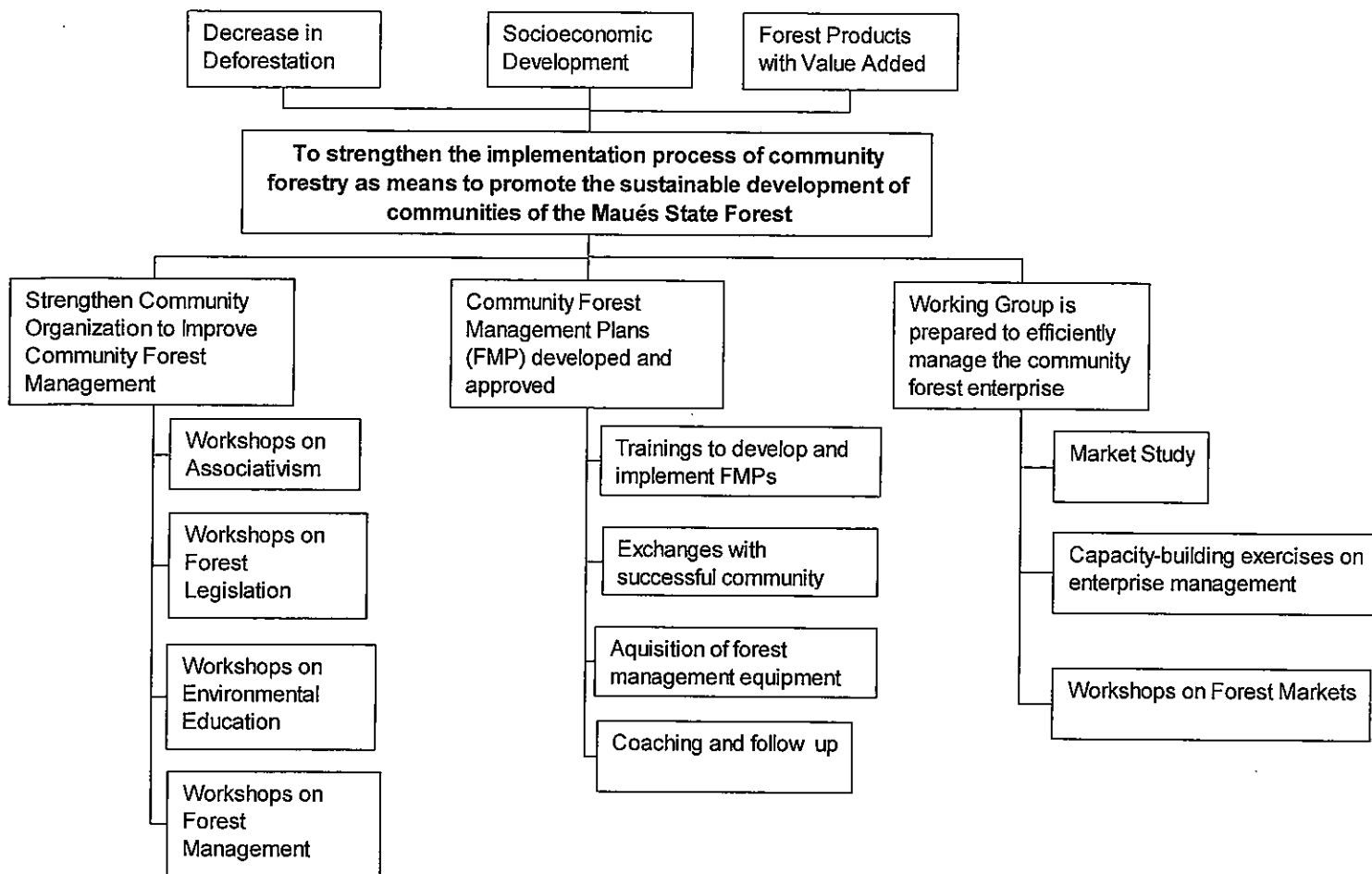
Information about markets, especially how they are organized and how to access them, is very important to the economical viability of forest management activities. In other words, the financial resources obtained from sales of forest products coming from managed forests not only may cover the communities basic needs, but can also become an incentive for community members not to deal in illegal wood trade. Without adequate management plans, communities do not know the real production potential of their forests; as a consequence, forest resources are often underutilized and/or wasted.

In short, if the current model prevails in the Maués State Forest, communities will continue their predatory logging activities, without adding any value to their forest production, which will result in deforestation, as well as in the stagnation of their socioeconomic development.

Figure 2 - Problem Tree



**Figure 3 - Objective Tree**



## 2.2 Intended situation after Project completion

Based on the current situation presented in section 2.1, IBENS expects that the activities planned for this project will lead to the following products and outputs:

### **a) Three Community Forest Management Plans Prepared**

The objective is to develop, together with the forest communities, all the activities needed in the preparation of an adequate Community Forest Management Plan to be submitted to the competent government agency for approval.

The areas where the forest management plans will be implemented have already been evaluated by the communities. There is already some data available where AFLORAM (State Forest Agency) has identified risky areas to be managed. Therefore, after potential areas are finally identified, the project field coordinator to be hired by the project will visit and evaluate them. As mentioned, the methodology to elaborate these forest management plans will be participatory, based on traditional knowledge and experience accumulated by community leaders who have participated in courses offered by IFT – Tropical Forest Institute. Besides that, the exchange experience with ACAF – Community Agricultural Association of Forest Extractivists of Boa Vista do Ramos will be of most importance.

In addition, the areas to be managed should be sufficient to complete a logging cycle; have a concession of use (*CDRU – Concessão de Direito de Real de Uso*), and be of easy access to small tractors. The technical team will confirm: the potential of trees with minimal diameter for logging; timber species with market value; and the possibility of logging throughout the whole year.

**Areas for Forest management: Each management plan will have an area of approximately 500 ha. As the sawmill will unfold approximately 4m<sup>3</sup> of logs per day, resulting in 2m<sup>3</sup> of sawnwood (50% of income). Considering that the period for logging is about 6 months (June, July, August, September, October, and November) per year (periods with low density of rains allowing the entrance in the forest), and an average of 25 working days per month, that is, 150 days per year, we have a annual volume of 600m<sup>3</sup>. Based on 10m<sup>3</sup> logging per hectare, we come up to an ideal area of 60 annual hectares per group, totalizing 1500 hectares. The following chart will help visualize the numbers mentioned above:**

<b><u>Area calculation</u></b>		
<b><u>Daily production:</u></b>	<b><u>2</u></b>	<b><u>m<sup>3</sup></u></b>
<b><u>Income:</u></b>	<b><u>50%</u></b>	<b><u>-</u></b>
<b><u>Volume logs/days:</u></b>	<b><u>4</u></b>	<b><u>m<sup>3</sup></u></b>
<b><u>Production period:</u></b>	<b><u>150</u></b>	<b><u>days</u></b>
<b><u>Cutting volume:</u></b>	<b><u>600</u></b>	<b><u>m<sup>3</sup></u></b>
<b><u>Area needed:</u></b>	<b><u>60</u></b>	<b><u>ha/year</u></b>
<b><u>Cutting cycle:</u></b>	<b><u>25</u></b>	<b><u>years</u></b>
<b><u>Total area:</u></b>	<b><u>1500</u></b>	<b><u>ha</u></b>

**Type of Forest management: Community Forest Management.**

**Contents: i) Calculation of the maximum volume for cutting likely to be authorized (volume for cutting = AEM (ha) x 1m<sup>3</sup>); ii) area identification for inventory (important issues to be considered: high density of trees with potential, and logistics for access and draining); (iii) opening of trails in the Inventory Area; (iv) Inventory and pre-selection (tree numbering and location, selection of trees for cutting, selection of remaining trees); (v) data processing (data compilation and ordering related to specie).**

**Timeline of the forest management plan: Field activities (operational) will be executed by the communities together with the technical monitoring of the Forestry Engineer. The execution timeline for such activities will depend on the learning speed of the people involved since the traditional communities have no technical expertise neither experience on developing a forest**

management plan. However, we could approximately calculate 1 year for the development of this activity based on the previous experience acquired by ACAF, our partners in the project. Another important issue to point out regarding timeline is related to the identification of trees with market demand. This will depend on the specie identified in the Business Plan.

**Unit costs:**

<b><u>Description</u></b>	<b><u>Unit Cost</u></b>
<b><u>11. Institutional Development Director</u></b>	<b><u>1.552,50</u></b>
<b><u>12. Program Coordinators (Technical)</u></b>	<b><u>922,50</u></b>
<b><u>15. Other labors (cookers)</u></b>	<b><u>0,00</u></b>
<b><u>21. Project Field Coordinator</u></b>	<b><u>2.375,00</u></b>
<b><u>22. Assistant Project Field Coordinator</u></b>	<b><u>1.115,00</u></b>
<b><u>31. Roundtrip Air Travel São Paulo - Manaus</u></b>	<b><u>900,00</u></b>
<b><u>32. Roundtrip Air Travel Manaus - Maués</u></b>	<b><u>300,00</u></b>
<b><u>33. Transportation Costs</u></b>	<b><u>25,00</u></b>
<b><u>34. Lodging Manaus</u></b>	<b><u>70,00</u></b>
<b><u>35. Lodging Maués</u></b>	<b><u>30,00</u></b>
<b><u>36. Meals</u></b>	<b><u>15,00</u></b>
<b><u>37. Motorboat</u></b>	<b><u>125,00</u></b>
<b><u>51. Fuel</u></b>	<b><u>1,25</u></b>
<b><u>53. Meals for Workshops and Trainings</u></b>	<b><u>350,00</u></b>
<b><u>54. Workshop Supplies</u></b>	<b><u>25,00</u></b>

Activities related to the development of the three Community Forest Management Plans proposed are detailed in section 3 under Outputs and Activities, specifically: Activity 1.7; Activity 1.8; Activity 2.2; Activity 2.3; Activity 2.4; and Activity 2.5.

**Based on various case studies and technical articles, we come up to the conclusion that the best machinery for community sustainable forest management at the Maués State Forest is a portable sawmill. The main reasons which led to this option are: (i) impossibility of dragging the logs for the river's border: the dragging with draft animal or crawler tractor are the only viable options since the skidder is extremely expensive and unviable for small producers, besides implicating on the need for the construction of roads with high impacts on the forest; (ii) using this assumption, an option would be to do the logging with motosserra, facilitating the transport for the side of the river. However, the quality of the unfolded boards is very bad and causes great losses; and (iii) the portable sawmill it is the most interesting option since it is easy to be transported, it can be taken to the place where logging is done and the desdobro is completed within the forest.**

**Activities that will require it and other timber harvesting equipment: Activities 2.8, 2.9 and 2.10.**

Such activities will provide the necessary technical foundations for the two Forest Management Working Groups established in previous phases of IBENS involvement in the region and to ASCASAM, so that they can continue to carry out the sustainable utilization of forest resources at Maués State Forest, even after the conclusion of the project.

**b) Market Study for Tropical Woods Updated**

In 2002, IBENS carried out a market study for wood originating from forest management plans of the Maués State Forest. The objective of that study was to identify markets, as an alternative to commercialization channels provided by the middleman, for wood produced by community forest management, and also to prepare a list of commercial contacts and potential buyers.

Due to the fact that forest management has not been implemented yet in the region, the above mentioned study must be updated in order to provide information needed to ensure the economic sustainability of the project. At the end of the project, after the market study is updated, it will be possible to focus on potential consumers that understand and accept the socio-environmental value added to the final products.

Therefore, the target to be met at the end of the project is that the members of the forest communities will be able to prepare their community forest management plans on their own, replicate this knowledge with other communities, and access better markets.

### **c) Revised Business Plan for Managed Forests**

A business plan for timber production from the Maués State Forest was produced in May 2006. Due to the rapidly changing market dynamics, it is of utmost importance to revise and adapt the plan to the new market conditions (and growing sophistication of the enterprise).

The revised version of the business plan proposed will include all the elements necessary for a management tool to be effectively used on the day-to-day running of a community-based enterprise.

Since its foundation, IBENS has developed a range of income-generating business plans for traditional populations and rural communities throughout Brazil. With the experience accumulated through the years, we have identified essential information that should be comprised in any business plan: (i) mapping of supply chain sectors; (ii) offer and demand appraisal, (iii) competitors; (iv) consumers; (v) sales points; (vi) prices; (vii) data on exporting and importing; (viii) supply chain chart; (ix) buyers identification; (x) SWOT analysis; (xi) financial viability study; and implementation plan.

It is important to point out that IBENS have developed a participatory methodology where the communities are involved in the creation and development of management tools, such a business plan, since the beginning of the process. All the data gathered to feed the business plan is discussed and suggested by the communities through *in loco* workshops. The revised business plan thought for the communities of Maués State Forest will be oriented to reach a market willing to pay fair prices to well managed timber production.

### **2.3 Project Strategy**

Strengthening the technical and managerial capabilities of the local populations so that they can sustainably manage their resources is the basic strategy of this project. For IBENS, the best alternative to stop the socio-environmental degradation that is taking place in most Brazilian ecosystems, especially in the Amazon biome occurs by reconciling market opportunities with forest conservation.

Therefore, this project is of fundamental importance to the preservation of the Amazon Tropical Forest for two reasons:

- Since it is a model based on forest communities, it can be easily replicated, due to the fact that the dynamics of Amazon communities does not vary much from community to another. There is a growing presence of local, national and international NGO's in the Amazon Forest trying to promote sustainable development, with strong focus on social, cultural and environmental issues. However, the economic component cannot be overlooked - it is a key element of the expected sustainable development. There is a link between these two situations: the model to be developed for the Maués State Forest could be applied by other NGO's in their projects with Amazon communities by means of visits and exchanges of experiences;
- There is great need to bring information to the forest communities; they are unaware of market forces and market trends, and they do not have access to information about the new legislation governing the forest sector. Therefore, implementation of this project is also considered strategic with respect to the development of market access tools and to the appropriation of technical and market information, so that forest communities can make their own decisions based on timely, accurate and relevant information.

The project will be participatory, process oriented and scientifically based. The foundation of this project is the community presence in the conservation unit. Great care will be given to ensure they are the drivers of the process, and that other stakeholders understand and support the importance of this approach. Sustainability cannot be ensured without the commitment of forest dwellers to conservation and forest management and the

project design has incorporated them in the planning process. All workshops and trainings will be conducted using participatory methodologies to ensure that information is transmitted in an accessible language and evaluations will be conducted to understand the level of satisfaction of community participants in the project. It will be process oriented by nature since our methodology works through a step wise approach to learning, adapting and implementing forest management techniques, business development and organizational strengthening. We will work with the utmost scientific rigor since these fragile ecosystems cannot be left to untested management methods.

## 2.4 Target Beneficiaries

The immediate beneficiaries of this project will be the 17 communities within the Maués State Forest, as represented by their respective associations, which make part of two Forest Management Working Groups established in the State Forest of Maués in December of 2005. They will receive technical training that will enable them to prepare two management plans and guidance on how to properly operate a sustainable community enterprise.

The first Forest Management Working Group (*GTMA - Grupo de Trabalho de Manejo Florestal do Rio Apoquिताua*) gathers groups located at Apoquिताua River, associated to ASCALBA, which includes the following communities: (i) Liberdade; (ii) Nossa Senhora Aparecida (Varre Vento); (iii) São Sebastião do Pajurá; and (iv) São Raimundo.

The second Forest Management Working Group (*GTMP – Grupo de Trabalho de Manejo Florestal do Rio Parauari*) congregates groups from the Parauari River, associated to ASPAFEMP, which includes the following: (i) São João; (ii) Núcleo Comunitário Ebenézer; (iii) Nossa Senhora de Aparecida (Pingo de Ouro); (iv) Nova Jerusalém; (v) Novo Paraíso; (vi) Vila Darci; (vii) Vila Nova Maringá; (viii) Laranjal; (ix) Entorno; and (x) Açãoera.

A third Group is intended to be formed in order to include communities from the Parauari River, associated to ASCASAM (the remaining three communities).

The referred two groups were formed by the own communities to gather those interested in working with forest management, and to meet periodically in their specific rivers (they called it "sectors") to discuss and decide matters regarding forest management. Each one of them, including the third group to be formed, intends to prepare a Community Forest Management Plan and submit to the competent government agency for approval.

Information related to project activities will be disseminated among the communities by means of meetings and special events organized by professionals hired to work at the project site, and also with the participation of community leaders that will function as multipliers.

Project activities and results will be informed to other beneficiaries (collaborating institutions, NGO's, government and academia) by means of bi-monthly bulletins that will be prepared and sent by IBENS.

It is important to highlight that the initiative to work with community forestry is a direct result of the need, as identified by the forest communities, to develop new businesses that are environmentally adequate and economically profitable.

## 2.5 Technical and scientific aspects

The most relevant technical and scientific aspects of sustainable forest management and conservation units related to state forests are summarized in the literature references presented in the paragraphs below, which also list ongoing projects financed by official agencies.

Guia Metodológica para Elaboração de Planos de Manejo de Florestas Nacionais, (*Methodological Guidelines for Preparing Management Plans for National Forests*) IBAMA Maio 2001.

"Formação de Agentes Multiplicadores, Assistência Técnica e Extensão Rural em Atividades Florestais aos Agricultores Familiares do Bioma Amazônia" (*Training of Multipliers, Technical Assistance and Rural Extension in Forest Activities to Family Farmers of the Amazon Biome*). Edital FNMA nº 01/2006

Ferreira Neto, Paulo Sérgio. 2003. Manejo Florestal Comunitário na Amazônia: Projetos apoiados pelo ProManejo - Projeto de Apoio ao Manejo Florestal Sustentável da Amazônia - Componente II – Iniciativas Promissoras. Parecer técnico. (*Community Forest Management in the Amazon: Projects financed by ProManejo – Project to Support Sustainable Forest Management in the Amazon – Component II – Promising Initiatives. Technical Assessment*)

Gonçalves, Sérgio Luiz F. 2001. Subsídios para o estudo da cadeia produtiva da madeira no Estado do Amazonas: elementos de reflexão. (*Subsidies to the study of the wood production chain in the Amazon State: elements for reflexion*) Manaus, 2001. [http://www.democracia.ufam.edu.br/download/cad\\_](http://www.democracia.ufam.edu.br/download/cad_)

HUMMEL, Antônio Carlos. Normas de Acesso ao Recurso Florestal na Amazônia Brasileira: O Caso do Manejo Florestal Madeireiro (*Standards for Accessing Forest Resources in the Brazilian Amazon: The Case of Forest Management for Wood Production*) / Antônio Carlos Hummel – Manaus: INPA/UA, 2001. 101 p. Dissertação de Mestrado.

IBAMA 2001: <http://www.ibama.gov.br/flores/manflor/ufs/rel2001.htm>

Palmieri, Roberto, Adalberto Veríssimo e Marcelo Ferraz. Guia de Consulta Públicas para Unidades de Conservação (*Guide for Public Consultation for Conservation Units*). Imaflora - Instituto de Manejo e Certificação Florestal e Agrícola. 2005.

In addition to the references listed above, there are a number of scientific studies on sustainable community forest management in general and in state forests in particular, addressing issues such as community organization, environmental, social and economic contributions. Some of them are the following:

Amaral, Paulo Henrique Coelho. . Evaluación de las condiciones, procesos y resultados del Manejo Forestal Comunitario en la Amazonía Brasileña. Dissertação de Mestrado (*Assessment of the conditions, processes, and results of community forest management in the Brazilian Amazon. Master's dissertation*) – Centro Agronômico Tropical de Investigación y enseñanza para el desarrollo la conservación. Turrialba, Costa Rica. 2001.

AYRES, J. M.; LIMA-AYRES, D.; ALBERNAZ, A. L.; MARMONTEL, M.; QUEIROZ, H. L.; BARTHEM, R.; ALVES, A. R.; MOURA, E.; DA SILVEIRA, R.; SANTOS, P. (1997). Chapter 7 - Mamirauá: The Conservation of Amazonian Flooded Forest. In: Community Involvement in Wetland Management: Lessons from the field. ICWD, Kuala Lumpur, Malaysia. 278 pp.

BENATTI, J.H.; MCGRATH, D. & MENDES, A.C. Políticas Públicas e Manejo Comunitário de Recursos Naturais na Amazônia (*Public Policies and Community Forest Management of Natural Resources in the Amazon*). Ambiente & Sociedade, Vol. VI, n. 2. 2003

JANSEN, M.R.A E ALENCAR, J. DA C. (1991). Contribuição à reposição florestal no Estado do Amazonas. In: Bases Científicas para Estratégias de Preservação e Desenvolvimento da Amazônia: Fatos e Perspectivas (*Contribution to forest re-stocking in the Amazon State: Facts and Perspectives*). Vol 1 (A.L.Val; R. Figliuolo & E. Feldberg, eds.). INPA, Manaus, AM.

LIMA, José Ricardo Araújo; SANTOS, Joaquim dos ; HIGUCHI, Niro . Situação das indústrias madeiras do estado do Amazonas em 2000 (*Situation of the wood industries in the Amazon State in the year 2000*). Acta Amazônica, VOL. 35(2) 2005: 125 - 132

OLIVEIRA, A. C. M. Estratégias de uso dos recursos naturais na Amazônia e seus impactos ecológicos: um estudo de caso de manejo comunitário no Médio Solimões (*Strategies for the use of natural resources of the Amazon and their environmental impacts: a case study of community forest management in the Mid-Solimões*) Belém: Universidade Federal do Pará: Núcleo de Altos Estudos Amazônicos, Tese de doutorado, 2002.

Pires, A. Princípios e processos na implantação do manejo florestal comunitário na RDS Mamirauá (*Principles and processes in the implementation of community forest management in the RDS Mamirauá*). In: Terras Indígenas e Unidades de Conservação da natureza. O desafio das sobreposições. Instituto Sócioambiental, 2004.



Soares, Maria Clara Couto (coord); Bensusa, Nurit; Ferreira Neto, Paulo Sérgio. Entorno de Unidades de Conservação: estudo de experiências com UCs de Proteção Integral (*Areas Around Conservation Units: studies on experiences with Integral Protection CU's*). Série Estudos Funbio. Rio de Janeiro: FUNBIO, 2002.

Veríssimo, A. & Amaral P. Forestry in the Amazon: current situation and perspectives. In D. E. Leihner & T. A. Mitschein (eds.) *A third millenium for humanity?: the research for paths sustainable development*, Frankfurt am main; bern; New York; Paris; Wien; Lang. (4). 265-277p. 1998.

## 2.6 Economic Aspects

With respect to economic aspects, the focus of this project is to generate community income from sustainable forest management activities.

As already discussed, community income and environmental degradation are two inter-related issues. Just as an example, many families produce about two or three 60-kg bags of manioc flour a month, which are sold at a nearby town for R\$30 to R\$40 (\$14 USD to \$20 USD) each, amounting to R\$90 to R\$120 ( \$45 USD to \$60 USD) monthly income.

In order to supplement this meager income, many families cut trees from the forest and sell them for an average price of R\$50 (\$25) per log.

It is expected that, as this project is implemented, families will have around a 50% or more increase in their income as a result of the sustainable timber production. Current logging methods waste a large percentage of the tree. Furthermore, through the acquisition and use of the portable sawmill, communities will spend less money transporting logs by transporting better quality and commercially viable plywood and planks.

## 2.7 Environmental aspects

The Amazon forest is the largest continuous area of tropical forest in the planet. According to the study "Biodiversity of the Brazilian Amazon", the total surface area of the continental Amazon is around seven million square kilometers, approximately two point seven million square miles.

The activities that marked land use in this region during the last two or three decades are typical of an archaic development model, based on the exploitation of forest resources, with little socioeconomic benefit to the traditional communities of the Amazon. The cycle of such activities demonstrates that there is an urgent need for new development models for this rich biome.

The activities proposed in this project represent an alternative model, since they aim at promoting development without threatening in the short and long run the quality of the forest or its biodiversity.

From an environmental point of view, this project will have the least impact possible, since the areas under consideration are part already of a conservation unit, which only allows sustainable management of the forest resources and low impact techniques that incorporate guidelines similar to those of certified forests. By installing portable sawmills, communities will lessen the impact of cutting wood with chainsaws, thus optimizing wood per tree.

## 2.8 Social aspects

By preserving the tropical forest, and in the particular case of this project the Maués State Forest, the project ensures that the forest functions of providing food, medicine, and products sold for cash give the project a social dimension.

In addition, as a result of a stable social organization and its strengthening promoted by such a structure, there will be a greater commitment on the part of the communities in preserving the forests, as well as preserving community enterprises as a whole.

Finally, as identified in the Problem Tree Analysis, communication between public agencies and the communities is still very slow. One of functions given to this project with respect to social issues includes information about the role of communities vis-à-vis new legislation that is unknown to them. As mentioned in

the strategies section, community needs will be placed at the center of the project, thus ensuring economic, environmental and social aspects are met.

## 2.9 Risks

During the implementation of the community forestry at the Maués State Forest some risks have been identified that could jeopardize the project as a whole. The main risks to be considered are:

### **- Lack of incentives to the community to remain involved with project activities**

This risk has been somewhat minimized due to the permanence of a forest technician in the municipality of Maués, who will provide support to the community, collect information of interest to them and articulate new strategies with local partners to implement community forest management in the region. This technician can be made available to the project because IBENS has financial resources to maintain him in the project site, thus mitigating this risk.

### **- Time limit to accept extension of the Community Forest Management Plan**

There is a risk that approval of the management plan could be delayed due to the work overload and lack of personnel of the Secretariat for Sustainable Development – SDS, which is the governmental agency in charge of this matter. To minimize this risk, IBENS intends to be very strict with respect to forest legislation requirements of these management plans, thus minimizing bureaucratic snags.

## 3 Outputs and Activities

### Output 1 – Community organization strengthened to carry out a Community Forestry Project

#### Activity 1.1: Organize two meetings to discuss the legal status of the Maués State Forest, community rights and decision making processes.

Objective: Discuss with the community their role in the process of development and conservation of the State Forest of Maués.

Topics to be covered: i) Project presentation; (ii) History of State Forest of Maués creation; (iii) Zoning; (iv) Community rights and duties; (v) Involvement of stakeholders; (vi) Economic potential; (vii) Next Steps.

Target audience: 35 participants per meeting.

Number of meetings: 1 meeting for each group, totalizing 2 meetings.

Duration of meetings: 6 hours.

Meetings output: Communities aware of their responsibilities in the changing process of current situation.

#### Activity 1.2: Organize two meetings on forms of Association.

Objective: Stimulate collective work and decision-making.

Topics to be covered: i) Concept discussion on associativism; (ii) What is an association; (iii) Rules for the development of a group; (iv) What is necessary for a group's success; (v) Duties of an association; (vi) Rights and duties of an associate.

Target audience: 35 participants per meeting.

Number of meetings: 1 meeting for each group, totalizing 2 meetings.

Duration of meetings: 6 hours.

Meetings output: Group awareness towards union, creation of a meetings calendar, and doubts clarification.

#### Activity 1.3: Organize four meetings on Leadership.

Objective: Stimulate local leaders in their role of motivating community groups.

Topics to be covered: i) What is leadership; (ii) Types of leadership; (iii) What are the attributions of a leader; (iv) Characteristics of a leader; (v) Social transformation; (vi) Motivation.

Target audience: 19 leaders of each group.

Number of meetings: 2 meetings for each group, totalizing 4 meetings.

Duration of meetings: 12 hours (6 hours per meeting).

Meetings output: Leaders committed with the project. Formation of new leaderships.

#### Activity 1.4: Organize two workshops on Organizational Behavior, Ethics, and Communication.

Objective: Improve group's relationship for business development.

Topics to be covered: i) Survey on current status of relationships; (ii) Adding value to individual differences: self-esteem, personality, emotions; (iii) Working groups; (iv) Ethics and conflicts (concept, which are the conflicts, how to solve them, etc.); (v) Communication and transparency.

Target audience: 35 participants per workshop.

Number of workshops: 1 workshop for each group, totalizing 2 workshops.

Duration of workshops: 6 hours.

Workshops output: Creation of communication tool. More transparency on the relationships.

Activity 1.5: Organize four training courses on environmental education.

Objective: Sensitize groups on the importance of conserving natural resources.

Topics to be covered: Environmental education; (ii) Identifying Forest resources and their importance (including discussion on sustainable development); (iii) Environmental problems identified by the group; (iv) Environmental Ethics; (v) Waste; (vi) Recycling.

Target audience: 35 participants per training course.

Number of training courses: 2 training courses for each group, totalizing 4 training courses.

Duration of training courses: 8 hours.

Training courses output: Group's awareness on environmental issues and understanding of their role in the conservation of natural resources.

Activity 1.6: Organize two workshops on Forest Legislation for the timber industry in Brazil.

Objective: Capacity building on business opportunities within the Forest.

Topics to be covered: History of timber management in Brazil; (ii) Timber uses in Brazil and worldwide; (iii) Consequences; (iv) Laws for the Forest; (v) Limits on community sustainable Forest management; (vi) Solutions Tree.

Target audience: 35 participants per workshop.

Number of workshops: 1 workshop for each group, totalizing 2 workshops.

Duration of workshops: 6 hours.

Workshops output: Creation of a brochure with laws applied to forest communities.

Activity 1.7: Organize two workshops to learn about the various phases of the community forest management.

Objective: Prepare group for the community-based enterprise management.

Topics to be covered: i) Identification of the community's view on the phases of an community-based enterprise; (ii) Development of the timber supply-chain with the community; (iii) Identification of stakeholders, gaps, and opportunities; (iv) Self-management; (v) planning, managing and evaluation; (vi) Next steps.

Target audience: 35 participants per workshop.

Number of workshops: 1 workshop for each group, totalizing 2 workshops.

Duration of workshops: 8 hours.

Workshops output: Identification of those responsible for each phase of the community-based enterprise management.

Activity 1.8: Grant eight scholarships to members of the communities to be trained in forest management.

Activity to be developed in partnership with IFT (Tropical Forest Institute). The objective in this activity is to teach 8 participants about the "training for sustained management and reduced impact on forests."

Output 2 – Community Forest Management Plan prepared and approved

Activity 2.1: Organize three meetings among the institutions responsible for decision making in the Maués State Forest, in order to encourage dialogue among different sectors.

Objective: The objective of these meetings is to approach communities of other stakeholders and clarify all existing doubts on Community Forest Management Plans in order to minimize potential bureaucratic obstacles. The first meeting aims to congregate leaderships from all communities, partners, government and local NGOs to present the project and elaborate a calendar of next activities and respective responsible. The second meeting, which will be held six months after project's beginning, has the objective of evaluating activities planned in the first six months as well as to discuss improvements necessary. The third and final meeting will be held in order to monitor partner's performance, activities executed and an evaluation by the leaders on IBENS' work.

Activity 2.2: Prepare participatory mapping of population zones, based on studies already carried out in the area.

Objective: Identify the areas with potential for commercial exploitation.

Topics to be covered: i) Presentation of the 3 population zones through maps; (ii) Formation of 3 groups based on the knowledge they possess about the areas; (iii) Identification of trees with market potential, including location, easier access trails, rivers and other relevant biotic elements for management; (iv) Identification of uses given by the groups to the agricultural lots.

Target audience: 35 participants per workshop.

Number of the course: 3 courses, one at each productive area.

Duration of course: 8 hours.

Course output: Presentation of maps in the communities by the participants of each group. Changes suggested by the communities will be included in a brochure containing the opportunities for sustainable forest management, activities developed as well as risks and threats of illegal logging, areas with tenure rights conflicts, etc.

Activity 2.3: Provide technical support to GTM (Management Working Groups) and ASCASAM in the identification of three potential areas for project execution.

Objective: Identify together with the communities the areas to be contemplated by the Management Plans.

Topics to be covered: i) Definition at the properties the areas destined for management; (ii) Planning of main and feeder roads; (iii) Division of the area to be managed in permanent plots for annual harvest; (iv) Opening of orientation trails; (v) Identification, location and evaluation of commercial trees ; (vi) survey of information such as watercourses, topographic variation; (v) Liana's cutting; (vii) Harvest planning (local and size of storage yards, directional felling)

Target audience: 70 participants.

Duration of workshop: 24 hours.

Workshop output: Three areas identified and communities prepared to the initial of activities to elaborate the Community Forest Management Plan. Brochure prepared with the Community Forest Management subjects.

Activity 2.4: Prepare a Land Use Plan for the areas identified by the GTM as potential for community forest management;

Objective: To minimize the risks with the Community Forest Management implementation.

Topics to be covered: i) Use of participative maps; (ii) Areas history; (iii) Zoning; (iv) Field visits.

Target audience: 35 participants per meeting (total 2 meetings).

Duration of meetings: 8 hours.

Activity 2.5: Prepare three community forest management plans.

Objective: Definition of how the forest will be sustainably managed.

Topics to be covered: : i) Calculation of the maximum volume for cutting likely to be authorized (volume for cutting = AEM (ha) x 1m<sup>3</sup>); ii) area identification for inventory (important issues to be considered: high density of trees with potential, and logistics for access and draining); (iii) opening of trails in the Inventory Area; (iv) Inventory and pre-selection (tree numbering and location, selection of trees for cutting, selection of remaining trees); (v) data processing (data compilation and ordering related to specie).

Area: approximately 500 ha.

Duration: 12 months.

Activity 2.6: Conduct an exchange visit for ACAF in Maués;

Activity 2.7: Conduct an exchange visit for GTM-Maués in ACAF;

Activity 2.8: Organize four training courses on management techniques using Areas of Simplified Forest Management;

Objective: Train the group for the production of managed timber.

Topics to be covered: i) Definition of harvesting blocks; (ii) Opening of trails and storage yards; (iii) Tree cutting (pre-cutting, cutting, post-cutting); (iv) Timber processing; (v) Transportation.

Target Audience: 35 participants at each training session.

Duration: 2 trainings at each sector of 3 days; 6 hours per day.

Training output: Comprehension of the importance of management and production waste reduction.

Activity 2.9: Assist GTM in the purchase of personal protection equipment, management and transportation equipment;

Personal protection equipment: capacete, botas com bico de aço, colete com cores fosforescentes para o ajudante, luvas.

Management and transportation equipment: Portable sawmill (Lucas Mill model 827), out-board boat (4) and speed boat (2), Diesel based electricity generator (2).

Activity 2.10: Organize two training courses on Worker Safety.

Objective: Presentation of forestry management risks and how to avoid them.

Topics to be covered: i) Forestry activities risks; (ii) Preventive measures; (iii) Corrective measures; (iv) equipment and maintenance.

Target Audience: 35 participants at each training session.

Duration of trainings: 8 hours for each training session.

Training Output: Communities prepared to work safely.

Activity 2.11: Organize one workshop on Forest Certification.

Objective: Present to the group the importance of the Forest Certification.

Topics to be covered: i) What is certification; (ii) Types of certification; (iii) Phases of certification; (iv) Costs of certification; (v) Relationship community-forest; (vi) Benefits and impacts.

Target Audience: 70 participants.

Duration: 6 hours.

Workshop Output: Brochure with the subjects discussed during the workshop and communities with knowledge about their possibilities to access new markets.

Output 3 – Working Group prepared for an efficient administration of the community forest enterprise

Activity 3.1: Implement Business Plan.

Objective: Outline next steps for the implementation of business plan.

Topics to be covered: i) Discuss the objective of the business plan; (ii) Present the key issues for business success (business management, production and product quality, volume, scale, working capital, etc); (iii) Next steps.

Target audience: 35 participants per meeting.

Number of workshop: 2 meetings.

Duration of workshop: 6 hours.

Meeting output: Business strategies outlined.

Activity 3.2: Update Market Study for wood and other products identified in the Community Forest Management Plan;

Activity 3.3: Organize two workshops on Market Challenges and Opportunities for forest products.

Objective: Present timber market dynamics, opportunities and challenges to face.

Topics to be covered: i) Worldwide timber market; (ii) Brazilian timber market; (iii) By-products; (iv) Certification; (v) Commercial chain; (vi) Networks; (vii) Product value addition; (viii) Credit.

Target audience: 35 participants per workshop.

Number of the workshops: 2 workshops.

Duration of workshops: 8 hours.

Workshops output: Access to market and production possibilities.

Activity 3.4: Organize four training courses on Entrepreneurship.

Objective: Awake the interest for innovation, planning, improvement.

Topics to be covered: i) What is an entrepreneur; (ii) Risks and planning; (iii) Practical activities to foment entrepreneurship.

Target audience: 35 participants per training.

Duration of training: 12 hours.

Trainings output: Community motivated to seek for alternatives.

Activity 3.5: Organize two workshops on Business Administration.

Objective: Build capacity for community business management.

Topics to be covered: i) what is business administration; (ii) Finance; (iii) Quality; (iv) People management; (v) Community management models.

Target audience: 35 participants per workshop.

Number of workshops: 2 workshops.

Duration of workshops: 8 hours.

Workshops output: Groups formation or leaders identification to manage community-based enterprises.

Activity 3.6: Organize four training courses on the use of management tools.

Objective: Build capacity for community business management.

Topics to be covered: i) Design the business; (ii) Risk mitigation; (iii) Costs, taxes, revenues, price formation; (iv) Cash-flow; (iv) Marketing; (v) Stock; (vi) Supply-chain and logistics; (vii) Production and quality; (viii) Commercialization; (ix) Access to capital.

Target audience: 15 participants per meeting.

Number of trainings: 4 trainings.

Duration of trainings 96 hours.

Meeting output: Brochure on community-based enterprises management.

Activity 3.7: Organize two workshops on special niche markets (fair trade, certified products etc).

Objective: Discuss possibilities and value addition.

Topics to be covered: i) What are niche markets; (ii) Streamline versus niches; (iii) Group discussion; (iv) costs and benefits; (v) Conclusions.

Target audience: 35 participants per workshop.

Number of workshop: 2 workshops.

Duration of workshops: 8 hours.

Workshops output: Next steps for group production.

Activity 3.8: Create one indicators report.

#### 4 Logical Framework

Project Elements	Qualitative Indicators	Quantitative Indicators	Means of Verification	Important Assumptions
<b>Development Objective</b> To contribute to the Sustainable Development of the Brazilian Amazon Forest.	<ul style="list-style-type: none"> <li>The Sustainable Community Enterprises model fortified among the communities</li> </ul>	<ul style="list-style-type: none"> <li>At least 3 enterprises organized during the project</li> <li>At least 5 enterprises involved in the project</li> <li>Enterprises created or strengthened representing, at least, 50% of these communities income.</li> </ul>	<ul style="list-style-type: none"> <li>Technical articles by local NGOs</li> <li>Documents (as attendance list and reports) generated in the project's activities</li> <li>Consultation to the project beneficiaries</li> <li>Consultation to the public agencies</li> </ul>	Northern Brazil has received incentives from the public sector and from NGOs to promote sustainable enterprises  The public agencies have some trustworthy data about the communities income
	<ul style="list-style-type: none"> <li>Considerable reduction of socio environmental degradation</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in 40% of communities people involved in the illegal timber commercialization</li> <li>Reduction in 10% of deforestation tax in the areas around these communities.</li> </ul>	<ul style="list-style-type: none"> <li>Technical articles by local NGOs</li> <li>Reports by IBAMA and other agencies responsible for the development and preservation of the Amazon Forest</li> <li>Satellite imagery</li> </ul>	The socio environmental degradation is a consequence, among others, of the unfamiliarity with sustainable management and lack of income
	<ul style="list-style-type: none"> <li>Stronger representation of the non-timber products at the communities commercialization activities</li> </ul>	<ul style="list-style-type: none"> <li>Increase about 10% in the non-timber commercialization representation in the total communities income</li> </ul>	<ul style="list-style-type: none"> <li>Consultation to the project beneficiaries.</li> <li>Consultation to public agencies.</li> </ul>	The beneficiaries have interest in being sincere about their income sources  The public agencies have some trustworthy data about the communities income
	<ul style="list-style-type: none"> <li>Improvement in the conscience about the importance of sustainable practices</li> </ul>	<ul style="list-style-type: none"> <li>All involved (preset in, at least, 90% of the activities) knowing the principal concepts of sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Consultation to the beneficiaries</li> </ul>	The main concepts, recognized by the most important institutions involved with the subject, related to the sustainability will be treated in lots of occasions during the project
<b>Specific Objective</b> To strengthen the implementation process of Community Forest Management as means to promote	<ul style="list-style-type: none"> <li>Improvement in the quality of life of the Maués Municipality population</li> </ul>	<ul style="list-style-type: none"> <li>Increase in, at least, 1 point of Maués Municipality Human Development Index (DHI)</li> </ul>	<ul style="list-style-type: none"> <li>Human Development Index (DHI) of the Maués Municipality.</li> <li>IBENS report on social/environmental/economic indicators.</li> </ul>	The initiative to develop this project came from the community interest in participating in this type of enterprise

sustainable development of local communities of the Maués State Forest.			<ul style="list-style-type: none"> <li>• ITTO Monitoring.</li> <li>• Minutes of meetings with government agencies.</li> </ul>	
5	<ul style="list-style-type: none"> <li>• Ample diffusion and adhesion to the Community Forest Management ideas and practices</li> </ul>	<ul style="list-style-type: none"> <li>• All involved (preset in, at least, 90% of the activities) knowing the ideas related to Community Forest Management</li> <li>• About 60% of the initial involved still taking part of the implementation of the Community Forest Management ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Documents (as attendance list and reports) generated in the project's activities</li> <li>• Consultation to the project beneficiaries</li> <li>• IBENS project monitoring</li> </ul>	A parcel of the initial involved will give up the project during the process – the reasons probably are personal interests and expectations.
	<ul style="list-style-type: none"> <li>• Auto-esteem of communities' members improved.</li> </ul>	<ul style="list-style-type: none"> <li>• About 70% of the involved in the project more confident about their potential to get a position about communities' topics.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports of involved in the project.</li> <li>• IBENS project monitoring.</li> </ul>	The group discussions activities usually evidence the knowledge that people already have and its' value. IBENS is going to collect information during the project implementation; the aim is to monitor the process and results.
<b>Output 1.</b> Community organization strengthened to develop and implement Community Forest Management	<ul style="list-style-type: none"> <li>• Totally understanding about the workshops and training courses content</li> </ul>	<ul style="list-style-type: none"> <li>• 8 workshops</li> <li>• 10 training courses (each community participating with representatives, at least, in one of them)</li> <li>• At least 50% increase in environmental awareness</li> <li>• At least 50% increase in forest management expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Documents (as attendance list and reports) generated in the project's activities.</li> <li>• Articles and news on the development of the project.</li> <li>• Reports by consultants and by the Project Coordinator.</li> <li>• Consultation to the project beneficiaries.</li> </ul>	The only capable of testify the understanding level about the workshops and training contents are the involved. The project monitoring intends to collect information from the beneficiaries.
	<ul style="list-style-type: none"> <li>• Higher interest of the communities in the subject</li> </ul>	<ul style="list-style-type: none"> <li>• 20% increase in the number of participants in activities carried out.</li> </ul>	<ul style="list-style-type: none"> <li>• Documents (as attendance list and reports) generated in the project's activities</li> <li>• Consultation to project beneficiaries.</li> </ul>	In a certain way this project is already being developed. Actions like those proposed here are already being offered, with good response on the part of community members.
	<ul style="list-style-type: none"> <li>• Democratic leaderships involved in the project and better prepared to represent</li> </ul>	<ul style="list-style-type: none"> <li>• Training of at least 14 leaderships on Social Organization concepts and</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation to leaderships.</li> <li>• IBENS project monitoring.</li> </ul>	The leaderships empowered by the communities should be fortified by the project. It's



	their communities.	practices.		important to pay attention to the leadership's origin (democratic, imposed...).
	<ul style="list-style-type: none"> <li>Social cohesion strengthened.</li> </ul>	<ul style="list-style-type: none"> <li>Increase of 10% in the participation (number of participants) in events related to the communities' associations.</li> </ul>	<ul style="list-style-type: none"> <li>Association's attendance lists.</li> <li>Consultation to project's involved.</li> </ul>	The project predicted activities in order to build this output will foment the participation, positioning in public situations and the individual experiences exchange.
	<ul style="list-style-type: none"> <li>Valuation and insertion of the women</li> </ul>	<ul style="list-style-type: none"> <li>30% of women trained</li> </ul>	<ul style="list-style-type: none"> <li>Documents (as attendance list and reports) generated in the project's activities</li> </ul>	Women of the communities have little interest in the local development.
<b>Output 2.</b> Community Forest Management Plans prepared and approved	<ul style="list-style-type: none"> <li>Other successful cases of community sustainable enterprise spread out in the target communities.</li> </ul>	<ul style="list-style-type: none"> <li>At least 2 Exchanges of experience.</li> </ul>	<ul style="list-style-type: none"> <li>Attendance list.</li> <li>Articles and news on the development of the project.</li> <li>Report on exchange of experiences.</li> </ul>	The information and main aspects of the exchanges will be shared with other communities' members.
	<ul style="list-style-type: none"> <li>Concepts and practical necessary knowledge to the action discussed with the communities.</li> </ul>	<ul style="list-style-type: none"> <li>6 training courses.</li> <li>At least 80% of the involved taking part of the courses.</li> <li>At least 90% increase in forest management expertise.</li> <li>At least 50% increase in product quality.</li> </ul>	<ul style="list-style-type: none"> <li>Attendance list.</li> <li>Articles and news on the development of the project.</li> <li>Consultation to the involved.</li> </ul>	The information of the courses can and will get practical use just after the training courses.
	<ul style="list-style-type: none"> <li>Practical steps to strengthen the sustainable handling of the forest sources delimited with involved.</li> </ul>	<ul style="list-style-type: none"> <li>2 Community Forest Management Plan prepared.</li> <li>1250 hectares submitted to the Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Participatory mapping prepared.</li> <li>Land-use plan prepared.</li> <li>Management plan submitted for approval.</li> </ul>	The entire process of Community Forest Management Plan preparation will be done in a participatory work.
	<ul style="list-style-type: none"> <li>Communities Management Plans implemented.</li> </ul>	<ul style="list-style-type: none"> <li>2 Community Forest Management Plan implemented.</li> <li>At least 30% increase in managed timber on the market.</li> </ul>	<ul style="list-style-type: none"> <li>Articles and news on the development of the project.</li> <li>Consultation to public agencies.</li> <li>IBENS project monitoring.</li> <li>Equipment purchased.</li> </ul>	Management plan approved by responsible government agencies.
	<ul style="list-style-type: none"> <li>Representative parcel of communities' women getting participation on the knowledge discussion and enforcement.</li> </ul>	<ul style="list-style-type: none"> <li>30% of women trained.</li> <li>50% of the involved women more confident to take place at the economic, social and environmental discussions.</li> </ul>	<ul style="list-style-type: none"> <li>Attendance list.</li> <li>Consultation to the women involved.</li> </ul>	Women of the communities have little interest in the local development.

<b>Output 3</b> Working Group prepared to efficiently manage the community forest enterprise	<ul style="list-style-type: none"> <li>• Business tools developed in set with the communities.</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Market Study built.</li> <li>• 1 Business Plan built.</li> </ul>	<ul style="list-style-type: none"> <li>• Articles sent to ITTO</li> <li>• Project's development documents and reports.</li> <li>• Market Study and Business Plan documents.</li> </ul>	IBENS has a team of professionals with experience on the participatory elaboration of Business Plans and Market Studies.
	<ul style="list-style-type: none"> <li>• Market Study and Business Plan's information totally understood by involved.</li> </ul>	<ul style="list-style-type: none"> <li>• 8 training courses</li> <li>• 4 workshops.</li> <li>• At least 50% increase in market expertise.</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance list.</li> <li>• Reports by community leaderships.</li> <li>• Reports from the involved about the events quality and efficiency.</li> </ul>	IBENS has a team of professionals with experience on managerial capabilities that is able to transfer this knowledge to community members who will be in charge of sustainable enterprises.
	<ul style="list-style-type: none"> <li>• Women prepared to take place, actively, on the business activities.</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of women trained.</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance lists.</li> <li>• Consultation to communities' women.</li> </ul>	The participation in the trainings will allow and incentive the women involvement in the quarrels and business decisions taking.
	<ul style="list-style-type: none"> <li>• Improvement in the involved' income.</li> </ul>	<ul style="list-style-type: none"> <li>• At least 50% increase in the income of community members (participating in the project).</li> </ul>	<ul style="list-style-type: none"> <li>• Timber new sale contracts.</li> <li>• Consultation to communities' members involved.</li> <li>• Consultation to public agencies.</li> </ul>	The implementation of Business Plan and Market Study recommendations is going to lead the achievement of new buyers or / and better prices.

**COMMUNITY FOREST MANAGEMENT: A SUSTAINABLE ALTERNATIVE FOR THE MAUES STATE FOREST, AMAZONAS STATE**

**Output 1 – Community organization strengthened to carry out a Community Forestry Project**

Activity	Responsible Party	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Activity 1.1	Project Team																																				
Activity 1.2	Project Team/SEBRAE																																				
Activity 1.3	Project Team/SEBRAE																																				
Activity 1.4	Project Team																																				
Activity 1.5	Project Team																																				
Activity 1.6	Project Team																																				
Activity 1.7	Project Team/CENAFLO																																				
Activity 1.8	Project Team/IFT																																				

**Output 2: Community Forest Management Plan prepared and approved**

Activity	Responsible Party	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Activity 2.1	Project Team																																				
Activity 2.2	Project Team																																				
Activity 2.3	Project Team																																				
Activity 2.4	Project Team																																				
Activity 2.5	Project Team																																				
Activity 2.6	Project Team/ACAF																																				
Activity 2.7	Project Team/ACAF																																				
Activity 2.8	Project Team																																				
Activity 2.9	Project Team																																				
Activity 2.10	Project Team																																				
Activity 2.11	Project Team																																				

**Output 3: Working Group prepared for an efficient administration of the community forest enterprise**

Activity	Responsible Party	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Activity 3.1	Project Team																																				
Activity 3.2	Project Team																																				

[illegible]

## 6 Budget

### 6.1 Overall Project Budget by Activity (US\$)

PROJETC ITTO BY ACTIVITY (US\$)										
Output 1 – Community organization strengthened to carry out a Community Forestry Project										
Activity	10. Project Person	20. Sub-contracts	30. Duty Travel	40. Capital Items	50. Consumable Items	60. Variuos	Year /Quarter	Grand Total	ITTO portion	IBENS portion
Activity 1.1: Organize two meetings to discuss the legal status of the Maués State Forest, community rights and decision making processes	2.655,00	3.490,00	3.710,00	0,00	1.687,50	0,00	Y1 /Q1	11.542,50	9.067,50	2.475,00
Activity 1.2: Organize two meetings on forms of Association	2.655,00	4.490,00	1.410,00	0,00	1.687,50	0,00	Y1 /Q1	10.242,50	7.767,50	2.475,00
Activity 1.3: Organize four meetings on Leadership	2.775,00	5.490,00	2.160,00	0,00	3.350,00	0,00	Y1 /Q1	13.775,00	11.300,00	2.475,00
Activity 1.4: Organize two workshops on Organizational Behavior, Ethics, and Communication	2.655,00	3.490,00	500,00	0,00	1.687,50	0,00	Y1 /Q1	8.332,50	5.857,50	2.475,00
Activity 1.5: Organize four training courses on environmental education	2.775,00	3.490,00	1.000,00	0,00	3.350,00	0,00	Y1/Q2	10.615,00	8.140,00	2.475,00
Activity 1.6: Organize two workshops on Forest Legislation for the timber industry in Brazil	2.655,00	3.490,00	500,00	0,00	1.687,50	0,00	Y1/Q2	8.332,50	5.857,50	2.475,00
Activity 1.7: Organize two workshops to learn about the various phases of the community forest management	2.655,00	4.490,00	2.120,00	0,00	2.412,50	0,00	Y1/Q2, Q4	11.677,50	9.202,50	2.475,00
Activity 1.8: Grant eight scholarships to members of the communities to be trained in forest management	0,00	1.600,00	12.080,00	0,00	875,00	0,00	Y1/Q2	14.555,00	14.555,00	0,00
<b>Sub-Total Output 1</b>	<b>18.825,00</b>	<b>30.030,00</b>	<b>23.480,00</b>	<b>0,00</b>	<b>16.737,50</b>	<b>0,00</b>		<b>89.072,50</b>	<b>71.747,50</b>	<b>17.325,00</b>

Output 2: Community Forest Management Plan prepared and approved										
Activity	10. Project Personnel	20. Sub-contracts	30. Duty Travel	40. Capital Items	50. Consumable Items	60. Variuos	Year /Quarter	Grand Total	ITTO portion	IBENS portion
Activity 2.1: Organize three meetings among the institutions responsible for decision making in the Maués State Forest, in order to encourage dialogue among different sectors;	0,00	0,00	2.225,00	0,00	1.443,75	0,00	Y1/Q1, Q2, Q3	3.668,75	3.668,75	0,00
Activity 2.2: Prepare participatory mapping of population zones, based on studies already carried out in the area;	2.655,00	3.490,00	750,00	0,00	3.987,50	0,00	Y1/Q2	10.882,50	8.407,50	2.475,00
Activity 2.3: Provide technical support to GTM (Management Working Group) and ASCASAM in the identification of three potential areas for project execution (considerando demarcação da parcela, abertura de trilha e inventário).	2.775,00	25.090,00	0,00	0,00	5.855,00	0,00	Y1/Q3	33.720,00	31.245,00	2.475,00
Activity 2.4: Prepare a Land Use Plan for the areas identified by the GTM as potential for community forest management (Término do inventário).	2.595,00	3.490,00	0,00	0,00	2.362,50	0,00	Y1/Q3	8.447,50	5.972,50	2.475,00
Activity 2.5: Prepare three community forest management plans;	7.785,00	17.450,00	3.810,00	0,00	6.050,00	0,00	Y1/Q2, Q3 Y2/Q4, Q5	35.095,00	27.670,00	7.425,00
Activity 2.6: Conduct an exchange visit for ACAF in Maués;	180,00	0,00	1.350,00	0,00	1.662,50	0,00	Y2/Q4	3.192,50	3.192,50	0,00
Activity 2.7: Conduct an exchange visit for GTM-Maués in ACAF;	0,00	0,00	1.350,00	0,00	1.662,50	0,00	Y2/Q4	3.012,50	3.012,50	0,00
Activity 2.8: Organize four training courses on management techniques using Areas of Simplified Forest Management	0,00	0,00	0,00	106.750,00	11.662,50	0,00	Y2/Q4	118.412,50	118.412,50	0,00
Activity 2.9: Assist GTM in the purchase of personal protection equipment, management and transportation equipment	8.325,00	10.470,00	2.500,00	0,00	5.718,75	0,00	Y2/Q4, Q5	27.013,75	19.588,75	7.425,00
Activity 2.10: Organize two training courses on Worker Safety;	300,00	0,00	500,00	0,00	2.387,50	0,00	Y2/Q5	3.187,50	3.187,50	0,00
Activity 2.11: Organize one workshop on Forest Certification.	2.775,00	6.980,00	400,00	0,00	4.352,50	0,00	Y2/Q5	14.507,50	12.032,50	2.475,00
<b>Sub-Total Output 2</b>	<b>27.390,00</b>	<b>66.970,00</b>	<b>12.885,00</b>	<b>106.750,00</b>	<b>47.145,00</b>	<b>0,00</b>		<b>261.140,00</b>	<b>236.390,00</b>	<b>24.750,00</b>

Output 3: Working Group prepared for an efficient administration of the community forest enterprise										
Activity	10. Project Person	20. Sub-contracts	30. Duty Travel	40. Capital Items	50. Consumable Items	60. Variuos	Year /Quarter	Grand Total	ITTO portion	IBENS portion
Activity 3.1: Implement Business Plan	1.102,50	0,00	2.070,00	0,00	1.937,50	0,00	Y1/Q1	5.110,00	4.187,50	922,50
Activity 3.2: Update Market Study for wood and other products identified in the Community Forest Management Plan	7.972,50	0,00	2.560,00	0,00	1.687,50	0,00	Y2/Q5, Q6	12.220,00	6.347,50	5.872,50
Activity 3.3: Organize two workshops on Market Challenges and Opportunities for forest products	2.775,00	3.490,00	2.710,00	0,00	2.362,50	0,00	Y2/Q6	11.337,50	8.862,50	2.475,00
Activity 3.4: Organize four training courses on Entrepreneurship	5.670,00	8.980,00	5.260,00	0,00	4.725,00	0,00	Y2/Q7 Y3/Q8	24.635,00	19.685,00	4.950,00
Activity 3.5: Organize two workshops on Business Administration	5.130,00	6.980,00	2.870,00	0,00	2.362,50	0,00	Y2/Q7 Y3/Q8	17.342,50	12.392,50	4.950,00
Activity 3.6: Organize four training courses on the use of management tools	10.620,00	13.960,00	10.240,00	0,00	4.825,00	0,00	Y3/Q8	39.645,00	29.745,00	9.900,00
Activity 3.7: Organize two workshops on special niche markets (fair trade, certified products etc	2.655,00	3.490,00	2.810,00	0,00	1.662,50	0,00	Y3/Q9	10.617,50	8.142,50	2.475,00
Atividade 3.8: Creat one indicators report	5.377,50	8.025,00	6.890,00	0,00	4.287,50	0,00	Y3/Q9	24.580,00	19.202,50	5.377,50
<b>Sub-Total Output 3</b>	<b>41.302,50</b>	<b>44.925,00</b>	<b>35.410,00</b>	<b>0,00</b>	<b>23.850,00</b>	<b>0,00</b>		<b>145.487,50</b>	<b>108.565,00</b>	<b>36.922,50</b>
<b>Non-Activity Based Expenses</b>										
(1) Accounting										
(2) Office equipment & supplies										
(3) Independent Audit						15.000,00	Y3/Q9	<b>15.000,00</b>	0,00	15.000,00
(4) Contingency & petty cash										
(5) Short-term project support						30.000,00				
<b>Sub-total</b>	<b>87.517,50</b>	<b>141.925,00</b>	<b>71.775,00</b>	<b>106.750,00</b>	<b>87.732,50</b>	<b>45.000,00</b>		<b>540.700,00</b>	<b>447.422,50</b>	<b>94.830,00</b>
<b>Sub-total ITTO</b>	<b>9.240,00</b>	<b>141.925,00</b>	<b>71.775,00</b>	<b>106.750,00</b>	<b>87.732,50</b>	<b>30.000,00</b>		<b>447.422,50</b>		
<b>Sub-total Ex. Agency</b>	<b>79.830,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>15.000,00</b>		<b>94.830,00</b>		
<b>TOTAL</b>	<b>89.070,00</b>	<b>141.925,00</b>	<b>71.775,00</b>	<b>106.750,00</b>	<b>87.732,50</b>	<b>45.000,00</b>				

## 6.2 Yearly Project Budget by Source

### Yearly project budget by source – ITTO

Budgetary Component		TOTAL	YEAR 1	YEAR 2	YEAR 3
10. Project Person					
	<b>Component Total</b>	<b>9.240,00</b>	<b>2.370,00</b>	<b>4.800,00</b>	<b>2.070,00</b>
20. Sub-contracts					
	<b>Component Total</b>	<b>141.925,00</b>	<b>70.825,00</b>	<b>37.645,00</b>	<b>33.455,00</b>
30. Duty Travel					
	<b>Component Total</b>	<b>71.395,00</b>	<b>32.515,00</b>	<b>19.040,00</b>	<b>19.840,00</b>
40. Capital Items					
	<b>Total do componente</b>	<b>106.750,00</b>	<b>0,00</b>	<b>106.750,00</b>	<b>0,00</b>
50. Consumable Items					
	<b>Component Total</b>	<b>86.178,00</b>	<b>34.581,75</b>	<b>39.377,50</b>	<b>12.218,75</b>
60. Miscellaneous					
	<b>Component Total</b>	<b>0,00</b>			
	<b>SUBTOTAL 1</b>	<b>415.488,00</b>	<b>140.291,25</b>	<b>207.612,50</b>	<b>67.583,75</b>
80. ITTO Monitoring, Evaluation & Admin Costs					
	81. Monitoring & Evaluation	<u>45.000,00</u>			
	82. Ex-post evaluation	15.000,00			
	<b>SUBTOTAL 2</b>	<b>475.488,00</b>			
	83. Program Support Costs (8% of ITTO portion)	<u>38.039,00</u>			
<b>100. GRAND TOTAL</b>		<b><u>513.527,00</u></b>			

### Yearly project budget by source – Executing Agency (IBENS)

Budgetary Component		TOTAL	YEAR 1	YEAR 2	YEAR 3
10. Project Person					
	<b>Component Total</b>	<b>79.830,00</b>	<b>28.462,50</b>	<b>21.375,00</b>	<b>17.077,50</b>
20. Sub-contracts					
	<b>Component Total</b>				
30. Duty Travel					
	<b>Component Total</b>				
40. Capital Items					
	<b>Total do componente</b>				
50. Consumable Items					
	<b>Component Total</b>				
60. Miscellaneous					
	ABC/MRE	30.000,00	10.000,00	10.000,00	10.000,00
	Independent Auditing	15.000,00	5.000,00	5.000,00	5.000,00
	<b>Component Total</b>	<b>0,00</b>			
	<b>SUBTOTAL 1</b>	<b>124.830,00</b>	<b>28.462,50</b>	<b>21.375,00</b>	<b>17.077,50</b>
70. Administrative Cost					
	IBENS (15%)	11.974,50	4.071,33	3.951,59	3.951,59
	<b>Component Total</b>	<b>11.974,50</b>			
<b>100. Executing Agency / Host Gov't Total</b>		<b>136.804,50</b>			



## 6.3 Consolidated Yearly Project Budget (US\$)

Budgetary Component	Unit Cost	UNIT	TOTAL	ITTO PORTION	IBENS PORTION	YEAR 1	YEAR 2	YEAR 3
10. Project Personal								
11. Institutional Development Director	1.552,50	33 months	51.232,50	0,00	51.232,50	17.853,75	16.301,25	17.077,50
12. Program Coordinators (Technical)	922,50	17 months	15.682,50	0,00	15.682,50	10.608,75	5.073,75	0,00
13. Program Coordinators (Business)	922,50	14 months	12.915,00	0,00	12.915,00	922,50	5.535,00	6.457,50
14. Intern	640,00	3 months	1.920,00	1.920,00	0,00	0,00	1.920,00	0,00
15. Other Labor (cook's assistant)	30,00	244 daily	7.320,00	7.320,00	0,00	2.370,00	2.880,00	2.070,00
<b>Component Total</b>			<b>89.070,00</b>	<b>9.240,00</b>	<b>79.830,00</b>	<b>31.755,00</b>	<b>31.710,00</b>	<b>25.605,00</b>
20. Sub-contracts								
21. Project Field Coordinator	2.375,00	30 months	71.250,00	71.250,00	0,00	29.687,50	24.937,50	16.625,00
22. Assistant Project Field Coordinator	1.115,00	30 months	33.450,00	33.450,00	0,00	13.937,50	11.707,50	7.805,00
24. Consultant CENAFLO	250,00	4 daily	1.000,00	1.000,00	0,00	1.000,00	0,00	0,00
25. Consultant SEBRAE	250,00	20 daily	5.000,00	5.000,00	0,00	3.000,00	1.000,00	1.000,00
26. Consultant Indicators	2.675,00	3 months	8.025,00	8.025,00	0,00	0,00	0,00	8.025,00
27. IFT Course	200,00	8 comunitary people	1.600,00	1.600,00	0,00	1.600,00	0,00	0,00
28. Forestry Assitant (2 people)	1.800,00	6 months	21.600,00	21.600,00	0,00	21.600,00	0,00	0,00
<b>Component Total</b>			<b>141.925,00</b>	<b>141.925,00</b>	<b>0,00</b>	<b>70.825,00</b>	<b>37.645,00</b>	<b>33.455,00</b>
30. Duty Travel								
31. Roundtrip Air Travel São Paulo - Manaus	900,00	12 pass.	10.500,00	10.500,00	0,00	2.700,00	2.700,00	5.100,00
32. Roundtrip Air Travel Manaus - Maués	300,00	61 pass.	18.300,00	18.300,00	0,00	9.900,00	4.200,00	4.200,00
33. Transportation Costs	96,00	48 taxis	4.630,00	4.630,00	0,00	1.930,00	1.300,00	1.400,00
34. Lodging Manaus	96,00	49 days	4.740,00	4.740,00	0,00	2.800,00	400,00	1.540,00
35. Lodging Maués	996,00	4 days	4.380,00	4.380,00	0,00	1.560,00	1.320,00	1.500,00
36. Meals	15,00	448 meals	6.720,00	6.720,00	0,00	3.150,00	1.470,00	2.100,00
37. Motorboat	125,00	151 pass.	18.925,00	18.925,00	0,00	7.275,00	7.650,00	4.000,00
38. Roundtrip Air Travel Manaus - Belém	400,00	8 pass.	3.200,00	3.200,00	0,00	3.200,00	0,00	0,00
<b>Component Total</b>			<b>71.395,00</b>	<b>71.395,00</b>	<b>0,00</b>	<b>32.515,00</b>	<b>19.040,00</b>	<b>19.840,00</b>
40. Capital Items								
41. Portable Sawmill (Lucas Mill)	30.000,00	3 unit	90.000,00	90.000,00	0,00	0,00	90.000,00	0,00
42. Motorized canoe	2.875,00	2 unit	5.750,00	5.750,00	0,00	0,00	5.750,00	0,00
43. Voadeira	1.250,00	4 unit	5.000,00	5.000,00	0,00	0,00	5.000,00	0,00
44. Diesel based electricity generator	3.000,00	2 unit	6.000,00	6.000,00	0,00	0,00	6.000,00	0,00
<b>Total do componente</b>			<b>106.750,00</b>	<b>106.750,00</b>	<b>0,00</b>	<b>0,00</b>	<b>106.750,00</b>	<b>0,00</b>

50. Consumable Items									
51. Fuel	1,25	31642 litros	39.553,00	39.553,00	0,00	19.931,25	12.402,50	7.218,75	
52. Safety and Work Took Kit	2.500,00	4 kit	10.000,00	10.000,00	0,00	0,00	10.000,00	0,00	
53. Meals for Workshops and Trainings	350,00	103 meetings	36.050,00	36.050,00	0,00	14.350,00	16.800,00	4.900,00	
54. Workshop Supplies	25,00	23 kits	575,00	575,00	0,00	325,00	150,00	100,00	
<b>Component Total</b>			<b>86.178,00</b>	<b>86.178,00</b>	<b>0,00</b>	<b>34.606,25</b>	<b>39.352,50</b>	<b>12.218,75</b>	
60. Miscellaneous									
ABC/MRE	30.000,00		30.000,00	0	30.000,00	10.000,00	10.000,00	10.000,00	
Independent Auditing	15.000,00		15.000,00		15.000,00	5.000,00	5.000,00	5.000,00	
<b>Component Total</b>			<b>45.000,00</b>	<b>0,00</b>	<b>45.000,00</b>				
<b>SUBTOTAL 1</b>			<b>540.318,00</b>	<b>415.488,00</b>	<b>124.830,00</b>	<b>184.701,25</b>	<b>249.497,50</b>	<b>106.118,75</b>	
70. Administrative Cost									
IBENS (15%)	11.974,50		11.975,00	0,00	11.975,00	4.071,33	3.951,59	3.951,59	
80. ITTO Monitoring, Evaluation & Admin Costs									
81. Monitoring & Evaluation			<u>45.000,00</u>	<u>45.000,00</u>	-	<u>13.333,33</u>	<u>13.333,33</u>	<u>13.333,33</u>	
82. Ex-post evaluation			15.000,00	15.000,00		0,00	0,00	15.000,00	
<b>SUBTOTAL 2</b>			<b>612.292,00</b>	<b>470.488,00</b>	<b>136.805,00</b>	<b>202.105,91</b>	<b>266.782,42</b>	<b>138.403,67</b>	
83. Program Support Costs (8% of ITTO portion)			<u>38.039,00</u>	<u>38.039,00</u>		<u>12.546,33</u>	<u>12.546,33</u>	<u>12.546,33</u>	
<b>100. GRAND TOTAL</b>			<b><u>650.332,00</u></b>	<b><u>513.527,50</u></b>	<b><u>136.805,00</u></b>	<b><u>214.652,25</u></b>	<b><u>279.328,75</u></b>	<b><u>150.950,00</u></b>	

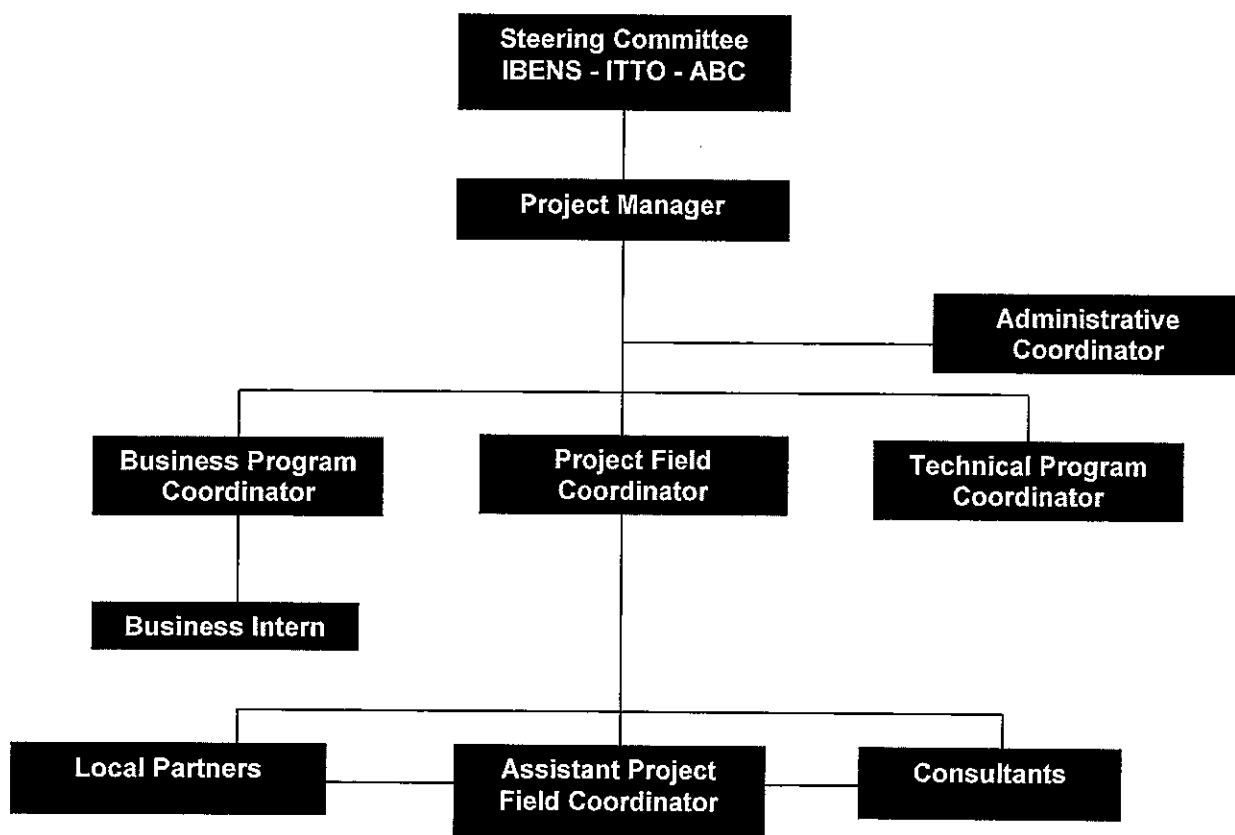
## PART III: OPERATIONAL ARRANGEMENTS

### 1. Management Structure

The Instituto Brasileiro de Educação em Negócios Sustentáveis - IBENS, the institution in charge of project implementation, is the sole proponent of this project. However, for some of the actions planned in the project, it will rely on partnerships with other institutions such as IFT – *Instituto Floresta Tropical* (Tropical Forest Institute), ACAF - *Associação Comunitária de Manejo Florestal* (Community Forest Management Association), *Prefeitura Municipal de Maués* (Municipality of Maués) - *Secretaria do Meio Ambiente* (Secretariat for the Environment – Municipality of Maués), SEBRAE - *Serviço Brasileiro de Apoio às Micro e Pequenas Empresas* (Brazilian Service for Assistance to Small and Micro Enterprises), and *Agência de Florestas e Negócios Sustentáveis da Amazônia* (Amazon Agency for Sustainable Forests and Enterprises), besides a number of local associations.

Figure 3 presents a general organization chart indicating how professionals of various backgrounds will support project execution.

Figure 4 – Project Organization Chart



The project management structure is led by a forester who will be the Field Project Coordinator and a forest technician who will be the Assistant Field Project Coordinator. They will be hired on a full-time basis to work locally. These two professionals will be in charge of keeping the flow of information to community members up-to-date, providing them with technical assistance and clarifying any questions they might have with respect to social organization, community forest management, and forest product markets.

This overall project will be supervised by the Project Manager who will be responsible for all technical, administrative and human resource supervision and orientation of all activities. In addition two Program Coordinators from IBENS will be responsible for providing specific inputs to the work carried out by the field project coordinating team. One coordinator will be responsible for technical issues and the other for marketing aspects of the project.

The forester and the forest technician will be hired as soon as the work proposal is approved. They will be recruited according to the Terms of Reference presented in Annex 2 and will coordinate with consultants and local partners the best strategies for implementing project activities.

The role of the administrative coordinator is to provide support in managing project funds and in the preparation of financial reports to be submitted to the financing agency.

## **2. Monitoring, Reporting and Evaluation**

- (a) Within the first three months of project implementation, the project coordinating unit will submit an inception report detailing the activities for the first year and a general description of subsequent ones. This will also include the names and CVs of appointed project manager and technical assistant.
- (b) Mid-term reporting: Reports with inputs from all project team members will be consolidated by the Project Manager and submitted every six months to ITTO. In addition, all individual proposed activities (workshops, field trips, trainings) will be documented and available upon request.
- (c) Final Report: All bi-annual reports will be assembled into a single final report which will also include social, economic and environmental indicators to measure the project's progress. The report will be submitted within three months of project completion. Technical Information: Technical reports will be drafted after each proposed technical activity and summaries will be included in the bi-annual reports.
- (d) Monitoring, Review and Steering Committee's Visits: the project is open to ITTO monitoring visits whenever this financing agency deems them necessary. Given adequate notice, specific reports containing current technical and administrative information will be made available in these visits.
- (e) Self-evaluation: The project coordinating team will undertake annual evaluations to assess our impact and readjust any necessary approaches to make the project a success.
- (f) External evaluations: In the even that the donor agency ITTO decides to conduct an evaluation, this will take place upon a mutually agreed date and team.
- (g) Audits: There will be yearly external audits and a final one based on the norms and guidelines established by ITTO.

## **3. Future Operation and Maintenance**

According to requested presented to ITTO, equipment such as the out-board boat and speed boat will become property of the Associations themselves, and monthly payments by communities will cover maintenance costs. The members of the associations already follow this practice for other communally owned equipment.

Knowledge management is a key project component since one desired outcome is the community appropriation of information and technical tools to move forward on their own. Part of the project team will devote a percentage of their time identifying funds for working capital and seed support.

# **PART IV: THE TROPICAL TIMBER FRAMEWORK**

## **1. Compliance with ITTA 1994 objectives**

- (c) Contribute to the sustainable development process

The ecosystem of the largest tropical forest of the planet is being degraded by economic activities related to the indiscriminate and wasteful use of its natural resources and to the deterioration of its traditional populations' culture.

In order to stop such socio environmental devastation, since the 1980's the number of environmental organizations in the Amazon Region has been increasing considerably with attempts to convince the local communities that they must preserve their natural resources. However, all this work has not presented communities with alternative sources of income so that they could abandon their activities; as a result the concepts of sustainable development could never be implemented.

This project works with the three components of sustainability, since it promotes development based on sustainable enterprises. Therefore, this project is in compliance with item (c) of ITTA 1994, since it has a

structure that can be easily duplicated and it contributes to the sustainable development process of the Amazon Forest.

## **2. Compliance with ITTO Yokohama Action Plan**

The proposed project fits in the category of Reforestation and Forest Management as outlined in ITTO's Yokohama Action Plan (2002 – 2006). Our proposal is highly relevant to Goal Two: Support activities to secure the tropical timber resource base, since the project will actively promote the implementation of sustainable forest harvesting and test and work with communities to manage forests for multiple uses.

## ANNEXES

### ANNEX 1 - EXECUTING AGENCY PROFILE

#### Executing Agency Experience

IBENS – The Brazilian Institute of Education on Sustainable Enterprises is a Brazilian Non-Governmental Organization who seeks to enable sustainable enterprises through capacity building and entrepreneurship support.

IBENS' entrepreneurial work benefits mainly rural communities, small, medium and large sized companies, municipal and state governments and civil society organizations.

We join forces with each of these players to work all phases of a sustainable project, including identification of market demands, development of competitive strategies for new businesses, attraction of capital and investors, managerial capacity building and research and development of low impact technologies. Ultimately, it is about doing everything that is needed to assure the viability of social and environmental and economically sustainable products, which have market demand and can generate income for rural entrepreneurs.

Within this context, IBENS has been a laboratory, which supports the development of community based business initiatives in areas such as forest management (timber and non-timber), fishing, agroecological products, sustainable tourism, alternative energy and water.

IBENS' three programs are:

- 1) **Building Entrepreneurs** which seeks to support the development and implementation of sustainable enterprises;
- 2) **Sustaining Efficiency** which seeks to disseminate and improve best management and processing practices;
- 3) **Sustainability in Practice** which seeks to promote sustainable actions in diverse economic sectors.

This is a list of products we have worked with in the Amazon region:

Guarana, Brazil Nut, Timber, Andiroba, Fish, Honey, Wooden boxes with inlaid shells (marquetaria), Hearts of palm, Açaí, Wooden furniture, and Cumaru.

List of projects:

- Brazil-nut Project, Manicoré, Amazonas
- Timber Project, Maués, Amazonas
- Pequi Project, Jardim, Ceara
- Organic Cocoa Project, Ilhéus, Bahia
- Sustainable Charcoal Project, Pedra Bela, Sao Paulo
- Oyster Project, Paraty, Rio de Janeiro
- Andiroba Project, Oiapoque, Amapa
- Brazil-nut Project, Redenção, Mato Grosso
- Cumaru Project, Para
- Sustainable Shrimp Harvesting, Guarujá, São Paulo
- Brazil-nut Project, Oriximiná, Para
- Piaçava and Mata Atlântica seeds project, Porto Seguro, Bahia
- Medicinal Plants Project, Minas Gerais
- Agroecological Products, Santa Catarina and Rio Grande do Sul
- Honey, Boa Vista do Ramos, Amazonas
- Açaí, Ilha de Marajó, Para
- Guaraná, Maués, Amazonas
- Fish, Maués, Amazonas
- Medicinal Plants, Barra do Turbo, São Paulo

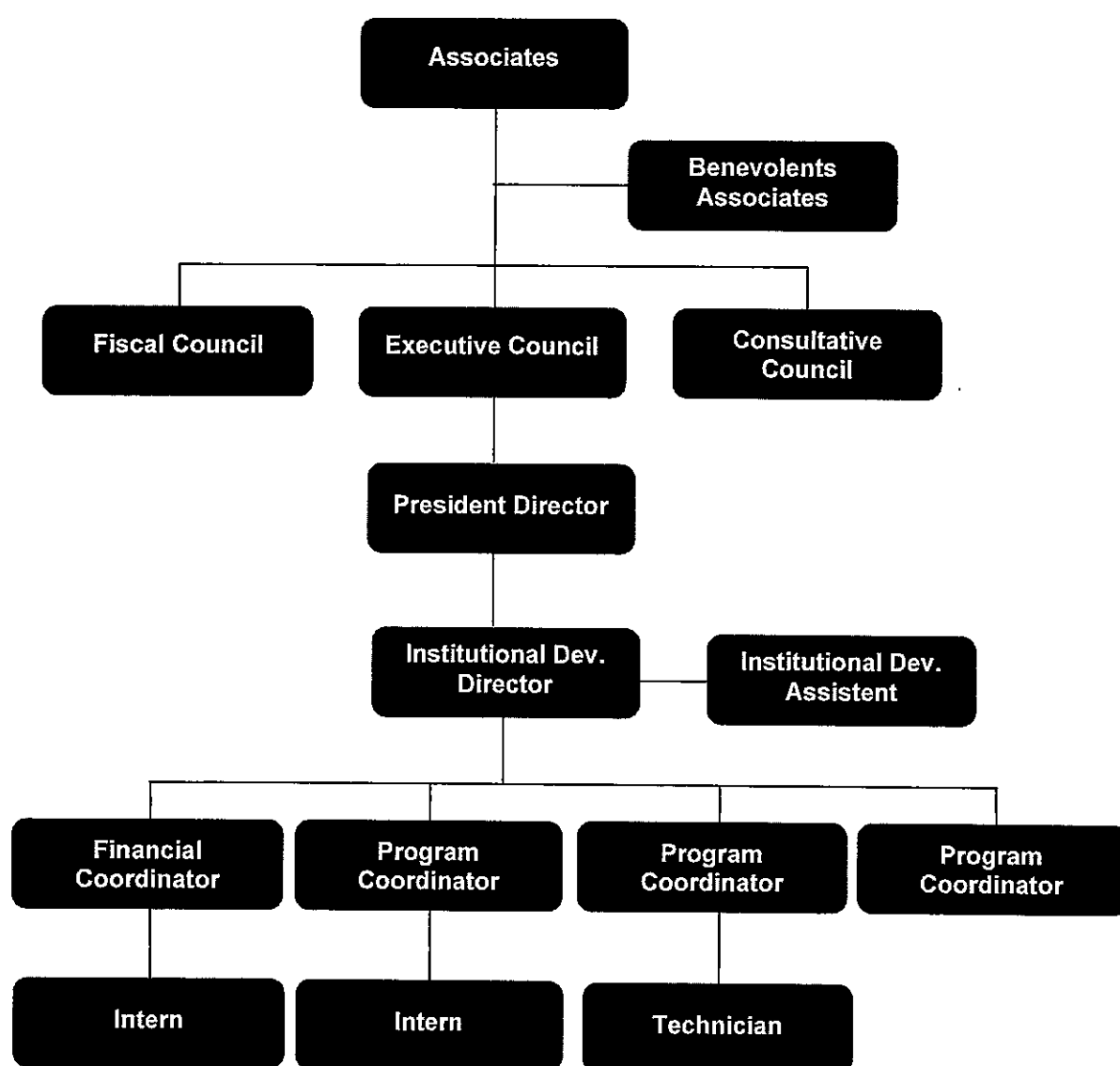
Donors:

- HSBC
- Banco do Nordeste
- Votorantim
- CPFL - Companhia Paulista de Força Luz

- Camargo Corrêa
- ProManejo (Project to Support Sustainable Forest Management in the Amazon)
- SECO (State Secretariat for Economic Affairs), Switzerland
- Alcoa Institute
- Alcoa
- Brazil Foundation
- Embassy of the Netherlands in Brazil
- World Resources Institute

This is the first time IBENS seeks funding from ITTO

#### Organizational Flowchart:



#### Infrastructure

One office in São Paulo with seven desktop computers, two laptops, two printers, one copying machine, one fax machine, phone and email service. One laptop computer located at the project site.

#### Budget in USD

	2003	2004	2005
<b>Personnel</b>	26,569.00	85,537.00	104,423.00

<b>Travel</b>	50,013.00	32,436.00	13,107.00
<b>Subcontracts</b>	98,051.00	23,182.00	26,317.00
<b>Capital Goods</b>	1,266.00	1,033.00	3,209.00
<b>Fungible Goods</b>	4,547.00	2,400.00	1,885.00

#### Personnel

One President Director, one Institutional Development Director that will serve as Project Manager, four program coordinators, two of them will participate in the project providing technical and business guidance to the Project Field Team, one accountant, and one program assistant located in the São Paulo office. There is an internship program annually that brings 2-3 interns for a six month period to conduct business related research and draft market studies.

- (a) Two staff members with postgraduate studies (one masters, one postgraduate certificate)
- (b) Six staff members with university degrees.
- (c) Three interns – 2 completing a university degree and one completing high school.
- (d) Administrative staff holds university degrees as well.
- (e) One forest engineer.



## **ANNEX 2 - TERMS OF REFERENCE FOR KEY PROJECT MEMBERS**

It is important to highlight that the Field Project Coordinator and the Assistant Field Project Coordinator will work full time on the implementation of this project while the other team members will devote only a percentage of their time to the project which is reflected accordingly in the budget.

### Project Manager

The Project Manager will be under the direct authority of IBENS' President, Director. The Project Manager will be responsible for:

- Technical and administrative orientation and oversight of all project activities;
- Providing support and backstopping to the Project field Coordinator his/her duties, particularly during the critical start-up and initial implementation of the project;
- Supervision of the use of project's funds;
- Elaboration and implementation of annual project operations plans;
- Liaise closely with ITTO Secretariat and donors;
- Ensure periodic progress reports for the ITTO Secretariat are prepared and submitted;
- Ensure the necessary administration set-up to guarantee that the project's resources are efficiently utilized;
- Ensure the publication and dissemination of project's results and experiences;
- Prepare and implement a monitoring and evaluation program to ensure adequate and timely assessment of project activities;
- Design and implement a communication strategy to facilitate the dissemination materials and information on its objectives and outputs;
- Developing information on project's objectives and work, targeting stakeholders and other interested parties; and
- Monitoring progress toward achieving project objectives, and elaboration of all reports required by ITTO.

### Project Field Coordinator

The Project Field Coordinator will be under direct authority of the Project Manager. (S)he will be responsible for:

- Day to day coordination of the project's team and technical and administrative orientation and coordination of all project activities in Maués State Forest liaising closely with the project manager and program coordinators in the home office, while supervising the Assistant Project Field Coordinator;
- Supervision of the use of project's funds;
- Assist the Project Manager in the elaboration and implementation of annual project operation plans;
- Good relations with other public agencies, non-governmental institutions, and community associations;
- Supervision of the work of the project's consultants, giving them guidance for their work and supervising their work and ensuring positive results;
- Information on project's activities and work, transmitting technical knowledge to communities in an accessible manner;
- Ensuring learning of forest management techniques by Maués' residents;
- Organizing and holding workshops on all aspects related to forest management , including following day to day activities of forest operations;
- Develop along community associations a forest management plan for the region;
- Monitoring progress toward achieving project objectives, and assisting the Project Manager in the elaboration of all reports required by ITTO.
- Assist in all other project management matters as requested by the Project Manager.

### Business Program Coordinator

The Business Program Coordinator will work under the supervision of the Project Manager. She will be responsible for:

- Updating the market study for tropical woods;
- Updating the Business Plan for Maués State Forest;
- Presenting the results of the market study and business plan to the Maués forest communities in an accessible format, using participatory techniques;
- Ensure the realization of workshops on enterprise management, basic accounting, commercialization and marketing as outlined in the project's workplan;

- Liaise with the Field Project Coordinator to transmit timely market data to the forest communities;
- Elaborate components of the project reports related to business capacity trainings;
- Produce (3) two page summaries on lessons learned around forest enterprise capacity building.
- Assist in all other business development and market matters as requested by the Project Manager.

#### Technical Program Coordinator

The Technical Program Coordinator will report to the Project Manager and liaise closely with other program and project coordinators. She will be responsible for:

- Backstopping technical field requests;
- Assist in the process of preparing technical reports;
- Provide guidance to the field team on implementing project indicators;
- Elaborate (3) two page summaries on lessons learned around community capacity building around forest management adoption techniques;
- Hand over the project to the Project Field Coordinator by introducing him/her to key stakeholders, presenting the dossier on IBENS historical participation in the region;
- Develop in coordination with the Field Project Coordinator the terms of reference for consultants who will work on technical issues;
- Assist in all other technical matters as requested by the Project Manager.

#### Administrative Coordinator

- Assist the Project Manager in financial management of the project resources and ITTO procedures;
- Ensure that the project's accounts are kept in full respect of the relevant national laws and rules, as well as ITTO's rules and procedures;
- Ensure proper keeping of project accounts and financial documents both in the Project Field Coordination Office and National Office;
- Input financial data in a computerized accounting system;
- Prepare financial reports;
- Assist in the process of timely calling of funds;
- Execute in a timely and rigorous manner the disbursements to the Project Field Coordination for various planned payments;
- Assist in all other administrative and finance related matters as requested by the Project Manager;
- Ensure an adequate supply for project needs as identified in the project's workplan.

### ANNEX 3 - STAKEHOLDER ANALYSIS

Stakeholder	Characteristics	Needs	Potential	Project Participation Level
Communities	Timber extraction in State lands for illegal sales	Increase income, improve technical aspects of forest management	Knowledge of the Region	1 <sup>st</sup> beneficiaries
Surrounding Communities	Share same culture as communities within the state forest. However, they feel marginalized since they are not part of the programs targeted at communities living within state forest limits.	Increase income, improve technical aspects of forest management	Knowledge of the Region	2 <sup>nd</sup> . beneficiaries
Local NGOs	Implement conservation activities	Lack of market vision limits their impact, resulting in discrete actions	Conhecimento técnico e recursos diversos.	2 <sup>nd</sup> . beneficiaries
Municipal Environmental Secretariat	Have approved over 10 simplified forest management plans	Lack technical staff and economic resources to implement management plans	Direct channel with agencies responsible for approving management plans	2 <sup>nd</sup> . beneficiaries
State Forest Agency (SDS)	Agency responsible for Conservation Unit	Communication with Communities		3 <sup>rd</sup> . beneficiaries

#### ANNEX 4 - RECOMMENDATIONS OF THE 35<sup>TH</sup> ITTO EXPERTS PANEL AND RESPONSES

#	Recommendation	Action	Section
1	Redefine the problem tree in such a manner it links logically with the project's activities and outputs	As requested, the Problem Tree was redefined in order to be logically and comprehensively linked to the Objective Tree.	Part 2 – 2.1  Pages 8 and 10
2	Describe the size of the three areas the forest management plans will cover, and the type, contents and timeline of the forest management plans to be developed, such as exploratory forest inventories and 100% census of commercial species. Clearly describe the unit costs involved in the elaboration of the management plans in the budget.	Informations included.	Part 2 – 2.2  Page 12
3	Provide greater details as regards the training component of this project. The proposal should clearly indicate the objectives, topics to be covered, the target audiences, the number and duration of the courses, trainee output, etc	The activities indicate all the information requested.	Part 2 - 3  Page 18 to 22
4	Seek the collaboration and/or create synergies with the government of the State of Amazonas in the implementation of the project	Synergies detailed as requested.	Part 1 - 2  Page 7
5	Clearly justify the need for a portable sawmill and mention what project activities will require it, and possibly other timber harvesting equipment that may be required but not included as a counterpart contribution in the project budget;	Informations included.	Part 2 - 2.2  Page 13
6	Recalculate the ITTO's Programme Support Costs so as to conform to the new standard of 8% of total ITTO project costs as decided by the 35th ITTC, and include an additional US\$ 10,000 to cover the cost of an independent mid-term evaluation under Component 70: ITTO M&E	The costs had been recalculated.	Part 2 - 6  Page 32 to 34
7	Include an Annex which shows the recommendations of the 35th Expert Panel and the respective modifications in tabular form. Modifications should be highlighted (bold and underline) throughout the revised project proposal document.	Implemented and responded to the best of our ability.	Annex 5.