

Name of the Project	Madre De Dios Amazon REDD Project
Location	Peru, Madre de Dios District, Iñapari
Project Proponents	Maderacre SAC / Maderya SAC / Greenoxx José Luis Canchaya Email: jcanchaya@maderacre.com Telephone: 51 982798119 / 511 2021111 Address: Carretera Iñapari-Santa Marta Km 3.5, Iñapari-Tahuamanu
Auditor	Rainforest Alliance Campbell Moore / Telephone: +1 202.903.0717 / e-mail: cmoore@ra.org
Start date of the Project	2009. Forest concessions granted for 40 years renewable
Period of execution of the PIR	2009-2013
Validation/Expiration Date	Validation: December 2nd, 2009 Expiration: December 2014
History of the state of the CCB	Validated (May 2005) Gold Level (8 criteria achieved)
Standard Edition	First Edition
Period of calculation of the GHG	2009-2012 verified under the VCS (June 2013) and vintage 2013 in process of verification
Summary	Madre de Dios Amazon REDD Project is the first REDD Project to be certified according to the CCB and VCS Standards in forestry concessions in Peru. The project has been doing a sustainable management in 98,932.0 of tropical rainforest that have been granted by the Peruvian Government in concession. Madre de Dios Amazon REDD Project has implemented activities with the objective of improve the capacity and livelihoods of the local people, reduce deforestation and degradation in the project area and thus conserving its biodiversity. In consequence, during the 2009-2013 period, there has been no deforestation in the project area, while within the buffer zone there has been only 38.9% of the expected deforestation. Furthermore, the forest management low impact techniques, certified under the FSC Standard, have permitted the maintenance of the biodiversity in the project area, obtaining in fact better results than expected according to the PDD for this component. In relation to the community component, the project has contributed to improve the livelihoods of the community by means of the creation of employment, support to education and basic needs, etc., especially with the Belgium Native Community, main stakeholder, who has been actively involved in the project activities. It is important to mention that the Project has achieved Gold Level in its validation and has implemented actions to maintain it: it has established an adaptative management, oriented to improve the goals of the Project as a result of the learned lessons, it has disseminated all learned in the process of implementation of the REDD Project at several levels: governmental, civil and business; it has included capacity building courses to its employees and members of the local communities; the project actions have respected the culture of the neighbor communities and the Belgium Native Community has played a preponderant role and has signed important agreements that have helped to their sustainable development, it has employed native species and has conducted better practices to preserve the resources of soil and water during management activities, it has conducted studies to get to know better the climatic variability and how to face it and it has sold VCUs in the voluntary market.
Report completed	April 2014

MADRE DE DIOS AMAZON REDD PROJECT

IMPLEMENTATION REPORT SUMMARY

The *Madre de Dios Amazon REDD Project's* proposed activity is to avoid unplanned deforestation within the forest that is being sustainably managed by the certified forestry concessions "Maderera Río Acre SAC" and "Maderera Río Yaverija SAC", in the department of Madre de Dios, southeast of Peru, in the Peruvian Amazon.

Both companies, two of the three Project Proponents, have signed long term concession contracts with the Peruvian State for 40 years, renewable (making a total of 80 years of contract), The contract were signed in May 2002 for a total area of 98.932,0 hectares (49.376 hectares for Maderacre and 49.556 hectares for Maderyja). Said contract explicitly give Maderacre and Maderyja legal rights to the whole concession area and to all the environmental services included in it. No current or future conflicts regarding the use of the land have been detected within the concessions and no people are currently living within the concessions area. Maderacre and Maderyja have the exclusive rights to all the environmental services within the project area including the carbon in the forests.

The project area is located in the hydrographic basin of the Acre River, Iñapari District, Tahuamanu Province, department of Madre de Dios. It is less than 30 km to the side of the new inter-oceanic road that unites Brazil with the Peruvian ports, in the region that belongs to the Vilcabamba-Amboró Conservation Corridor in the Peruvian Amazon, one of the world biodiversity hotspots. The following picture shows the location of the project.

Picture 1. Map of Peru. To the South-East the department of Madre de Dios and the interoceanic road.



The area of influence of the Inter-oceanic road is characterized for still having areas of forests of great importance for their biodiversity and the environmental services they offer. The area is different from other areas next to roads, where its presence has notoriously affected the landscape and natural resources.

However, the presence of the inter-oceanic road represents a great risk. Before the paving of the road, Madre de Dios was an aisled region, more integrated to Brazil than to the rest of the country. To reach Cusco, the nearest city, the trip took between two and three days, this has been currently reduced to approximately 14 hours. This situation increases the pressure from rural population that migrates from the rural Andes as well as the establishment of economic activities not compatible with the rainforest, such as slash and burn agriculture, extensive cattle raising in poor pastures, etc. Deforestation and degradation of the rainforest are a consequence of these activities. Similar effects are already visible in Brazil where the trans-Amazonian road has been completed for some time.

Another secondary source of risk for the future could come from illegal logging, which may affect in a much lower level of risk, the project area. Illegal loggers could be attracted in the future by the abundance of forestry species of high commercial value, as mahogany. Illegal logging, even though it does not necessarily deforest, if happens, could affect in the future the value of the forest and open roads that make accessibility easier, creating the conditions to future deforestation. However, it is clear from different independent studies and from the Participatory Rural Appraisal diagnosis (PRA conducted for the project) that this risk is not significant and the main reason for land use change has been, and remains, the installation of crops and pastures.

In this sense, it is relevant to consolidate the sustainable management of the region, as it is the case of forestry concessions with timber and non-timber destination, private areas and protected natural areas.

An environmental study of the Vilcabamba-Amboró Conservation Corridor, which was carried out by Peruvian NGOs, had as one of its objectives the identification of potential avoided deforestation projects to be implemented in the area.

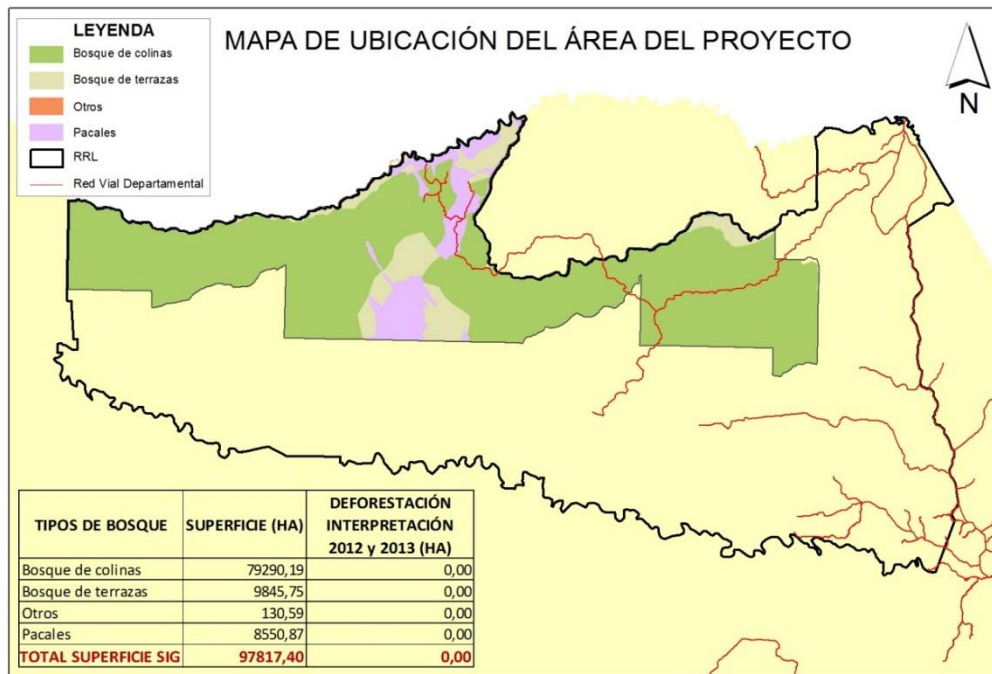
The conclusion of this analysis was that obtaining revenue for the environmental services that the rainforest offers was the only way to preserve these areas. Because of the abovementioned selection of projects with greater potential in the area of study, Madre de Dios Amazon Rainforest project was selected.

The Madre de Dios Amazon REDD Project **objective** is to reduce the pressure for lands by the local population in the project area and its buffer zone, to guarantee the sustainable forestry management of both timber concessions and to improve the livelihoods of the local communities through the implementation of an avoided deforestation project that helps to generate higher commercial resources for the management of the area.

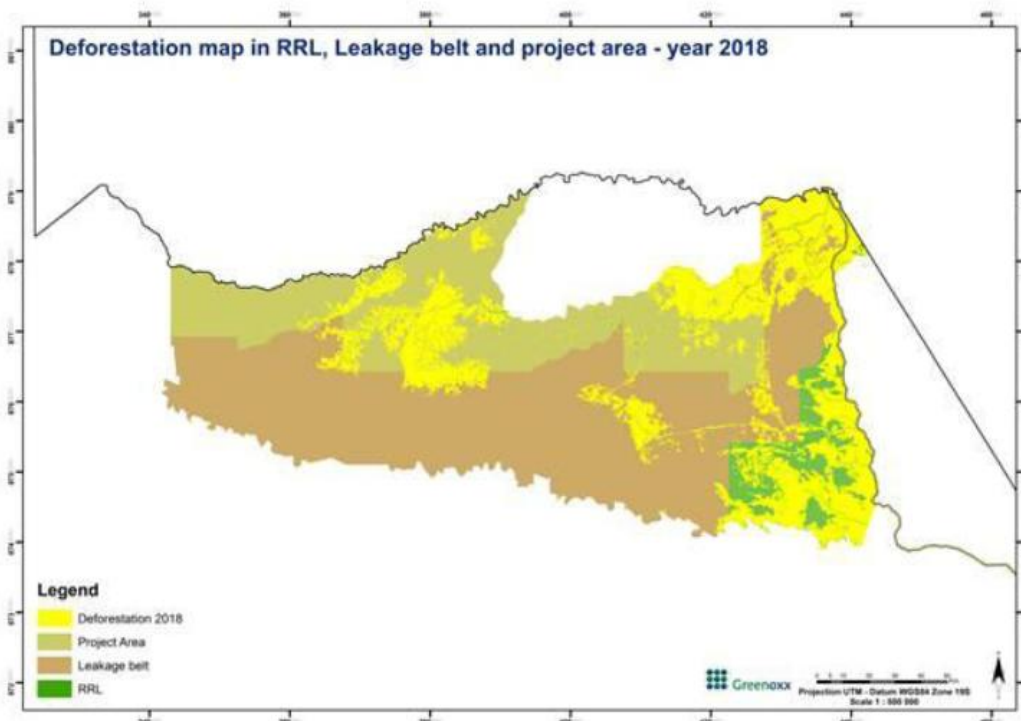
The **total area of the project** is 98,932.0 ha¹ plus 159,018.02 ha of buffer zone. According to the impact projected by the baseline developed under the VCS Standard, the area deforested in the year would be of 21,982.8 ha within the project area and 14,281.2 ha in the buffer zone, which would cause losses in carbon, CO₂ emissions, losses of habitats and biodiversity. Picture 2 shows the project area, the buffer zone or leakage belt and Picture 3 shows the total projected deforestation areas.

Picture 2. Project area and buffer zone.

^{1 1} Total number of hectares according to the concession contracts between the concessions and the State. This information was generated by the Center of Forest Statistical Information (CIEF - Peru Digital), which was the source employed in 2002 when the concessions were granted. As can be seen in BL-UP validated under the VCS, net forest area is 97,817.41 ha, less than the areas registered in the contracts, considering that it was based in the forest map developed by IIAP (Investigation Institute in the Peruvian Amazon) which overlaps only this extension with the CIEF map.



Picture 3. Projected deforestation areas.



As it was previously mentioned, the forest where the project is located is very important in terms of biodiversity conservation since it provides the habitat to four endangered rainforest species and eleven endangered wildlife species, as follows: Cedar (*Cedrela*

odorata), Mahogany (*Swietenia macrophylla*), Wild fig tree (*Ficus anthelmintica*), Leche caspi (*Galactodendron utilisima*), Jaguar (*Panthera onca*), Red howler monkey (*Alouatta seniculus*), Giant anteater (*Myrmecophaga tridactyla*), Giant armadillo (*Priodontes maximus*), Lowland tapir (*Tapirus terrestris*), Red-and-green macaw (*Ara chloropterus*), Scarlet macaw (*Ara macao*), Blue-throated Piping-guan (*Pipile cumanensis*), Razor-billed Curassow (*Mitu tuberosum*), Sanborn's squirrel (*Sciurus sanborni*), Amazon dwarf squirrel (*Sciurus ignitus*). This is just a small sample, which shows the importance of the biodiversity of the area and ratifies the need to protect it.

Additionally, High Value Conservation Areas have been defined within the project area. Those areas are being protected and monitored regularly. These High Value Conservation Areas consist of 4,019.6 ha.

As stated in the the SCS Final CCBA Validation Report of the Madre de Dios Amazon REDD Project, the projected cost of protecting the forests from impending immigration will strain the financial resources of Maderacre and Maderyja; project activities such as surveillance, community technical assistance and education are too expensive without a supplemental revenue source. The same could be said of activities such as building capacity, support to sustainable projects, education and many other activities oriented to support the population.

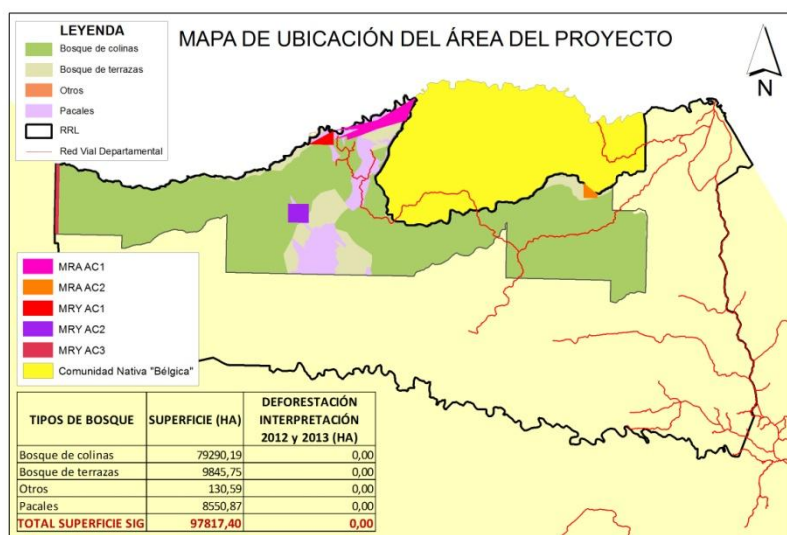
The start date of the project is January 1st, 2009, being 2009 the year when the validation under the *Climate, Community and Biodiversity Project Design Standards* (CCB) was achieved, guaranteeing the social and environmental sustainability of the proposal. This was reinforced by the achievement of Gold Level under said Standard. Additionally, the project was also validated under the *Verified Carbon Standard* (VCS) on September 20th, 2012, also achieving afterwards the verification of vintages 2009-2012 on May 21st, 2013.

In this same line, the concessions have been always committed to guarantee a sustainable management of the forest and therefore, have made a great effort, with the support of NGOs such as WWF, CESVI and ProNaturaleza, to achieve and maintain the FSC Certification, a very important additional guarantee of the sustainability of the project and its long-term permanence.

The most important **stakeholders** identified, located in the nearby areas to the Project are the rural villages of Nueva Esperanza, Villa Primavera and Noaya in Iñapari (each village has an average of 40 ha); the urban population of Iñapari and the Belgium Native Community (Yine tribe). The project has been conducting activities together with the latter, being the most sensible because it is an indigenous community. The project also collaborated with the Belgium Community in the implementation and improvement of their sustainable forest management.

Picture 4 shows the location of the Belgium Native Community (Yine tribe) and the High Value Conservation Areas within the project area.

Picture 4. Location of the Belgium Native Community and the HVC Areas



During the 2009-2013 implementation period, the Project has developed the following activities in order to achieve its two main objectives: 1) Contribute to the sustainable development of the rural producer living in the buffer zone of the project and 2) Reduce the vulnerability of the project area to external sources of deforestation and degradation. Following a summarized chart of the developed activities.

Chart N°1 Summarized char of the implemented activities.

Objective	Activity	Implementation
1) Contribute to the sustainable development of rural producers living in the buffer zone of the project	Socialization and dissemination of the project goals	The Project has the following permanent dissemination mechanisms of the information: - Information available in the project's website (http://www.greenoxx.com/en/madre-de-dios-home.asp) - Conferences and workshops in which the concessions are invited to explain the REDD Project's experience. As some examples, the following cases: Course dictated: Carbon Footprint and Voluntary Carbon Market – University of the Pacific (Lima, September, 2013) National Workshop on Climate Change National Policies: opportunities and Threats (Lima, December 2012). Conferences during the Forestry Week - Madre de Dios National Amazonian University (Puerto Maldonado, November, 2012). Conferences during the Forestry Week - Madre de Dios National Amazonian University (Puerto Maldonado, November, 2011). Environmental Education and Forest Management International Symposium. Catholic University of Peru (Lima, August 2011). - In the framework of the Relationship with the Community, the Madre de Dios Amazon REDD project's objectives and results were spread. Also, it had the following communication channels: - Presence in the DAKAR Village 2013 (January 2013). The project had an informative Stand for a total number of 300,000 visitors during 3 days. As part of the DAKAR, the project had media exposition in the local written press and TV. - Likewise, in the framework of the Cooperation Agreement with Scotiabank, the dissemination of the Madre de Dios Amazon REDD Project through print press and a promotional video was shown in their service channels nationwide (October 2011)
	Identification and selection of proposals for the environmentally friendly productive projects	The Project has a stakeholders map, which enables to identify actors related to the forest concessions, as well as the level of relationship with them. Currently, the project is identifying the local actors and potential beneficiaries for the environmentally friendly productive projects program. Until 2013, the REDD Project sales have been minor and therefore the revenues were employed to complement the investment done by the Project Proponents to achieve CCB and VCS validation as well as the verification of the first VCUs. During this last months the sales have been more dynamic, a fact that is allowing to accelerate the rhythm of implementation of the activities related to the environmentally friendly productive projects (still in the initial implementation phase) With respect to the funds available until 2013, the project has given priority to the specific support to the Belgium

		Native Community (only indigenous community in the buffer zone) and to specific activities in benefit of the nearby communities, as reported below.
2) Reduce the vulnerability of the project area from external factors of deforestation and degradation	Review and update of the custody plan	The forest concessions' custody plan has been reviewed and updated for both concessions, completing the Project's total area
	Installation of control post PCA 5 Maderacre	The post in Maderacre's PCA 5 has been changed to a control post in the entrance of the Belgium Native Community. This, in order to be more efficient in the use of the resources (as it also helps the Native Community in the control of their borders) and to contribute to the custody plan of the Native Community, which is an important area in the Project's buffer zone. The relationship is very good between the Project and the Native Community and implies mutual cooperation - See Agreement.
	Delimitation of 100% of the concessions boundaries	Part of the project area has natural boundaries (permanent water courses). Apart from this, a 100% of the non natural limits have been marked with pedestrian trails, "hitos" in the vertexes of the area and informative signs in the more relevant sectors. Annual maintenance is done in sectors of the pedestrian trails.
	Installation of "Hitos" in the concessions vertexes	"Hitos" have been installed in the concessions vertexes.
	Improve the signaling within the concessions	In this period, the following new signs have been installed: 1 on the entrance of the Maderacre concession. 1 to define the boundary between Maderyja and Maderacre concessions, on the access road. 1 to define the boundary between Maderyja and Maderacre concessions over the Acre River. 1 to define the limit between Maderacre and Belgica, in the Acre River (where Josefina water course joins the Acre River). Several signals on the prohibition of hunting, fishing and illegal logging within the concessions boundaries.
	Periodic and annual patrolling within vulnerable sectors	Patrolling actions to vulnerable sectors identified within the concessions were conducted: 1 river patrol to the Acre River sector to the level of Cashuera Uku, carried out in February 2010. 2 river patrols through the Acre River, in coordination with the Native Community, 2011. 1 land patrol over the eastern boundary, limit with the Pumaquiro SAC concession, being this sector one of the highest threats because of its proximity to the Inter-oceanic road. Carried out in July 2010. Patrolling along the 100% of the non-natural Project's limits, carried out in 2011 and 2012. None of the patrolling actions reported the violation of boundaries and there was no evidence of invasion.
	Annual monitoring of possible invasions using	The report of the analysis of satellite imagery, for the 2009-2012 and 2012-2013 periods, does not report the occurrence of invasions within the Madre de Dios Amazon REDD project area. Additionally, the patrolling in the areas of highest risk showed no invasion or violation of the boundaries. Furthermore, the PRA conducted in 2013 indicated

	satellite images	that there were no invasions.
	In-field verification of sectors identified as potential points of invasion (due to deforestation)	The report of the analysis of satellite imagery, for this period, does not report the occurrence of invasions or deforested areas within the Madre de Dios Amazon REDD project area during the 2009-2013 period. Patrolling and in-field verification have been also conducted, some of them in coordination with the Belgium Native Community.
	Development and implementation of mechanisms for the dissemination of environmental education among children, adolescents and communities involved in the project	This is part of the Communicational strategies the forest concessions have.

In general terms, the project has achieved zero deforestation within the project area during its first commitment period 2009-2013. Meanwhile, within the buffer zone, only 38.9% of the expected deforestation has been registered. Additionally, the low impact technics employed, certified by FSC, have permitted to maintain the biodiversity within the project area, obtaining in this component better results than expected, according to the validated PD. With respect to the community component, the Project has contributed to improve the livelihoods of the community by means of the creation of employment, support to education and basic needs, etc., especially with the Belgium Native Community, main stakeholder, who has been actively involved in the project activities.

It is important to mention that the Project has achieved Gold Level in its validation and has implemented actions to maintain it: it has established an adaptative management, oriented to improve the goals of the Project as a result of the learned lessons, it has disseminated all learned in the process of implementation of the REDD Project at several levels: governmental, civil and business; it has included capacity building courses to its employees and members of the local communities; the Project actions have respected the culture of the neighbor communities and the Belgium Native Community has played a preponderant role and has signed important agreements that have helped to their sustainable development, it has employed native species and has conducted better practices to preserve the resources of soil and water during management activities, it has conducted studies to get to know better the climatic variability and how to face it and it has sold VCUs in the voluntary market.