

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**BOLIVIA**

**SUSTAINABLE ENTERPRISE PRODUCTION IN  
BOLIVIA'S NORTHERN AMAZON FOREST**

**(BO-M1009)**

**DONORS MEMORANDUM**

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### **Preparation:**

Procurement table  
Operating regulations  
Terms of reference for project consultants

### **Execution:**

Project performance monitoring report

**ABBREVIATIONS**

AWP	Annual work plan
CESI	Committee on Environment and Social Impact
FJMP	Fundación José Manuel Pando – for the sustainable development of the Amazon forest
FPM	Forest Product Management
FPMO	Forest Product Management Office
FSC	Forest Stewardardship Council
IFMP	Integrated forest management plan
ITTO	International Tropical Timber Organization
PANFOR	Proyecto para el Manejo Forestal Sostenible de Pando [Pando Sustainable Forest Management Project]
USAID	United States Agency for International Development

**SUSTAINABLE ENTERPRISE PRODUCTION  
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**(BO-M1009)**

**I. EXECUTIVE SUMMARY**

<b>Beneficiary:</b>	Bolivia	
<b>Executing agency:</b>	Fundación José Manuel Pando for the sustainable development of the Amazon forest (FJMP)	
<b>Beneficiaries:</b>	Indigenous and rural communities and small producers	
<b>Financing:</b>	MIF (Window III-A):	US\$350,000 (70%)
	Local counterpart:	<u>US\$150,000 (30%)</u>
	Total:	US\$500,000
<b>Objectives:</b>	The goal of the project is to contribute to the sustainable development of forest resources for primary brazil nut and timber producers, making their products more competitive in certified markets and enhancing their economic benefits. the purpose is to promote integrated forest management by primary brazil nut and timber producers, along with best practices in production and marketing for both products.	
<b>Execution timetable:</b>	Execution period: 36 months	
	Disbursement period: 42 months	
<b>Special contractual clauses:</b>	Conditions precedent to the first disbursement of MIF resources: (i) contracting of the project coordinator and administrative/accounting assistant; and (ii) entry into effect of the project Operating Regulations.	
<b>Exceptions to Bank policy</b>	None.	
<b>Environmental and social review:</b>	CESI reviewed the abstract at its meeting of 28 October 2005, and all of its recommendations have been considered in the design of the operation (see paragraph 8.2).	

**Coordination with other agencies:** The executing agency is the primary regional institution that has worked on sustainable development of the northern Amazon forest. Through this project, it will complement the resources available from other sources aimed at achieving the same objective, such as the BOLFOR I and II projects financed by the United States Agency for International Development (USAID) and The Nature Conservancy (TNC).

## **II. FRAME OF REFERENCE**

- 2.1 **Regional context of Bolivia's northern Amazon.** Bolivia's northern Amazon forest (bordering Peru and Brazil) is an ecosystem with substantial and relatively well preserved biodiversity covering 100,000 km<sup>2</sup> in the Department of Pando and parts of the Departments of La Paz and Beni. The region is home to only 165,000 inhabitants, but population growth has accelerated due to migration over the last two years. Sixty-eight percent of the population lives in the cities of Cobija (Pando's capital and only urban area), Riberalta, and Guayaramerín (Beni). The remaining 32% live in scattered, remote rural communities.
- 2.2 The region's productive structure has historically been based on the extraction and harvesting of forest products. The great potential of timber and nontimber products (Brazil nuts, rubber, palm, etc.) is not fully realized because the business sector is in its infancy (in terms of both individual businesses and as a whole) with insufficient economic and technical resources for sustainable forest management. This has an impact on the precarious economy of its inhabitants (over 70% live in poverty and 30% in extreme poverty), and could increase the currently low levels of forest degradation, as need drives the population to tap these resources in an unsustainable manner.
- 2.3 **Profile of Brazil nut production.** The decline of rubber extraction in Bolivia's northern Amazon region, which began in 1914 with competition from plantations in Malaysia, made the Brazil nut the region's primary nontimber resource. Bolivia is currently the world leader in Brazil nut exports. Over 35% of the region's economically active population is directly linked to the Brazil nut sector. Approximately 8,500 families (rural and indigenous) do the primary work of gathering and collecting the nuts. The gatherer families are organized into more than 115 communities (rural and indigenous) affiliated with the Federación Sindical Única de Trabajadores Campesinos de Pando [United Federation of Farmworkers Unions of Pando] (FSUTC-Pando) and the Organización Indígena Tacana [Tacana

Indigenous Organization] (OITA), with another group on individual parcels known as “barracas”<sup>1</sup> in over 200 production units.

- 2.4 The activity also generates 4,500 industrial jobs (75% held by women) at the processing companies that sell Brazil nuts primarily to foreign markets (95%). The Brazil nuts are processed (shelling, drying, and packaging) by just over 20 large and small businesses in Beni, Pando, and Cochabamba, which are the primary exporters.
- 2.5 Growing international demand for Brazil nuts, especially the certified variety, and their high prices since 2004 will increase exports of processed (shelled and dried) Brazil nuts (also known as Amazon nuts) to US\$70 million in 2005, up 21% from 2004. The experience of cooperatives and associations working in the region has demonstrated demand and the potential of organic- and FLO-certified (Fairtrade Labelling Organization) produce for the European, United States, and Japanese markets. Despite this bright outlook, there are serious underlying problems in terms of quality, productivity, and opportunity affecting the lowest links in the Brazil nut chain (the production stages involving the poorest participants). These result from ignorance or improper use of improved systems for harvesting, transporting, collecting, and certifying this forest product, thereby keeping these producers' revenues down.
- 2.6 **The timber outlook.** Regional timber development began in 1991 with forest concessions. Currently, estimated primary production (felling of trees) is up to four million m<sup>3</sup>/year of sawn timber (of a potential 90 million/year). Approximately 90% of the timber from Pando is sold abroad (Chile, Argentina, Germany, and the United States) through the port of Arica, Chile, and, in some cases, through Brazil (Manaos) to the Atlantic Ocean. The remainder (10%) is sold on the local and national markets. Like the Brazil nut, most of the enterprises holding concessions, individual owners, and rural communities are virtually exclusively devoted to this sector (single product producers). The regional timber business comprises 19 concession holders (40% of which have no operations at all), to which the government has granted nearly 1.6 million hectares of forest; and just over 20 individual owners. Timber activity creates over 2,000 direct jobs in the region.
- 2.7 Although changes in the Forest Act (Law 1700) are gradually reviving this sector, as demonstrated by growing export volumes and Bolivia's leadership in voluntary certification of sustainable forests (2.2 million certified hectares), the benefits have not yet reached the communities and small producers. The sector remains underdeveloped due to: (i) the modest development and application of forest management plans; (ii) the rudimentary technology for forest administration and development; and (iii) the ignorance of sector standards and timber certification.

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<sup>1</sup> Producers with less than 15,000 ha who hold forest concessions. They employ 3 to 10 families year-round, and 25 to 30 families at harvest time.



These problems become pronounced in the over 200 rural and indigenous communities that have recently entered the region's timber sector, due to their economic limitations. These limitations render the communities very vulnerable to the abusive extraction of their timber by third parties, primarily through a system of advance payments known as "habilito" (monetary advances provided to the indigenous or rural forest owner in exchange for the sale of a season's harvest).

- 2.8 This results in the illegal and/or poorly planned extraction of timber, manifested in the felling of undersized trees, poor renewal of timber species, inadequate use of tools and procedures for calculating timber volumes, etc. These factors combined contribute to the sector's underdevelopment and progressive deforestation. Planned development of the current volume of this forest, processed only as sawn timber, could generate an estimated US\$400 million to US\$500 million/year, three times the current value of Bolivian exports of forest products and equivalent to 20% of Bolivia's estimated total exports for 2005.
- 2.9 **Challenges for regional production.** Production in Bolivia's northern Amazon region essentially favors complementary cultivation of the Brazil nut and timber. Despite this, the region's forestry activity does not operate under the concept of integrated forest management, defined as the planning and implementation of practices aimed at the joint development of timber and nontimber products. Currently, the primary Brazil nut producers focus exclusively on the production of this nut (between December and March) and neglect or ignore timber development (from April to November). The same is true of timber producers, who know little of the Brazil nut sector.
- 2.10 The lack of an integrated vision for the development of the Brazil nut and timber, as well as the limited use of best production practices for both forest products, and the difficulties in instituting individual certification processes are hindering the achievement of greater economic benefits by small producers and communities in the region.
- 2.11 The inherent barriers to technical support and business management for Brazil nut and timber producers are linked to the technical and financial weakness of public and private forest development agencies. This weakness is evident in: (i) their limited knowledge of, or ability to transfer knowledge of, best practices and development technologies for both forest products, including training in the context of business management; and (ii) a limited and intermittent presence in the region. Thus, the Brazil nut continues to face serious challenges in terms of the harvest, bulking, transport, and storage of unshelled product in order to increase production and decrease the levels of aflatoxin contamination and post-harvest shrinkage (over 30% and equivalent to US\$3 million/year).<sup>2</sup> In addition, producers have not been

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<sup>2</sup> Aflatoxin is a toxic fungus. The CODEX Alimentarius, to which Bolivia and the European Union are signatories, has determined a tolerance level of aflatoxin for humans as 20 ppb (parts per billion). Many countries have adopted 10 ppb.

made aware of, or sufficiently trained in, the application of standards for joint organic certification, which has hampered greater penetration of their product in the international market. For their part, most timber producers are unaware of issues related to the development and introduction of forest management and production processes (expressed in general forest management plans, forest work plans, etc.), and this prevents them from benefiting in a sustainable manner from the forest or from the certification of their property (Forest Stewardship Council, FSC).<sup>3</sup> The poor performance of the region's institutions has reduced the ability to replicate best practices in other communities and/or production units.

- 2.12 Fundación José Manuel Pando for the sustainable development of the Amazon forest (FJMP) has been focusing its forest and Brazil nut development work on this part of the country. In addition to pioneering activities to support community forest management in the region (community forestry), FJMP's major achievements include: (i) the development of Supreme Decree 27572 on legal certainty for the northern Amazon region, (ii) support for the reclamation of 25% of the land in the Department of Pando, and (iii) biodiversity preservation in two Pando municipalities. Its work has facilitated access and work with rural communities and indigenous territories, small and medium-sized forest owners, forest product processing enterprises (timber and Brazil nut), organization of producers and industry participants, production service enterprises, and NGOs. As part of its community training activities under the BOLFOR project, FJMP has identified significant demand in the region's communities for services in the areas of sustainable management plan design, enhancement of product quality, and certification for markets. The communities know they need these services urgently, if their products are to find a market foothold. In the public sector, FJMP maintains close relations with the Pando Prefecture, municipal governments, the Office of the Superintendent of Forests, the National Institute for Agrarian Reform, Universidad Amazónica de Pando, and the National Service for Protected Areas, as well as with other agencies of Bolivia's central government.
- 2.13 **The project.** The project will promote the concept and practice of integrated forest development in Bolivia's northern Amazon region. This initiative, whose ultimate aim is to heighten competitiveness, will target the primary producers in the Brazil nut and timber production chain (rural and indigenous workers and small individual producers). Through technical assistance, training and information, the project will provide them with knowledge and technologies for integrated forest planning (joint management plans for Brazil nuts and timber) and best practices in production with low environmental impact for the development of these sectors. It will also include specific activities for certification of these products. Throughout this entire process,

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<sup>3</sup> The Forest Stewardship Council (FSC) is the world's best known timber certifying body. It is a nongovernmental organization devoted to providing markets with assurance that the timber products they consume come from forests managed in an environmentally responsible, socially beneficial, and economically viable manner.

it will strengthen the organizational and business management capacities of these producers and their associations, stressing marketing and negotiation skills and strategic partnerships among the beneficiaries and other participants in the production chains.

- 2.14 **Coordination with other agencies and relationship to Bank projects.** This initiative will build and expand on the technical forestry expertise developed by the PANFOR project (1998-2001) and BOLFOR projects I and II (2002-present) in Bolivia's northern Amazon region.<sup>4</sup> BOLFOR II's advances will be leveraged in terms of both organization and forest management, and complementary activities will be coordinated to increase the scope and results of both initiatives. For its part, the region's private forestry sector, represented by Cámara Agroforestal de Pando [Pando Chamber of Agro-Forestry], Asociación de Madereros de Pando [Pando Timber Association], and smaller groups, will also be a valuable ally for consultation, coordination, and legitimization of the activities planned for this sector under the project.
- 2.15 The Government of Bolivia is executing two Bank-financed programs in the agricultural sector: the agricultural services program (1057/SF-BO) and rural productive support program (1515/SF-BO). The first is finishing execution and has financed a technical assistance project on Brazil nut management, from which know-how has been incorporated into this project. The second is starting execution and will finance productive projects in the principal rural sector chains. The beneficiaries of this MIF operation will organize and be strengthened to the point that they can obtain other resources, such as those under the rural productive support program.

### III. OBJECTIVES AND COMPONENTS

- 3.1 The **goal** of the project is to contribute to the sustainable development of forest resources for primary Brazil nut and timber producers, making their products more competitive in certified markets and enhancing their economic benefits. The **purpose** is to promote integrated forest management by primary Brazil nut and timber producers, along with best practices in production and marketing for both products.
- 3.2 The project will meet its objectives through two components: (i) **forest management development** and (ii) **certification support**. Each of these components will, in turn, comprise two subcomponents.

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<sup>4</sup> PANFOR (Pando Sustainable Forest Management Project) was an initiative funded by the Bolivian government and the International Tropical Timber Organization (ITTO). BOLFOR II (Sustainable Forest Management) is a project funded by USAID and The Nature Conservancy (TNC), with counterpart financing from the Bolivian government.

- 3.3 **Component 1: Forest management development (US\$222,050; MIF: US\$129,500; Counterpart: US\$92,550).** This component seeks to promote the concept and practice of entrepreneurship in the area of forest development (a vision that integrates management excellence, productive technology, and markets), among both the grassroots organizations that unite the project beneficiaries and the producers themselves. This component's activities are grouped into two subcomponents.
- 3.4 **Subcomponent 1.1: Organizational development and negotiation skills (US\$126,125; MIF: US\$75,500; Counterpart: US\$50,625).** This subcomponent seeks to promote good governance of forest producers organizations and sound management of public and private lands by the beneficiaries. It will offer training and technical (and legal) assistance on starting and managing communal enterprises and/or sole proprietorships, which will be complemented by the production of educational material (booklets, posters, etc.). Specific consulting assignments will support the development and fine-tuning of: (i) business management and monitoring instruments, including the drafting of manuals and procedures for municipal and individual forest management, and (ii) business plans for forest products. In addition, to ensure that the increased joint production of timber and Brazil nuts finds fair, favorable markets, a consulting assignment will be funded to advise and support producers in marketing and business negotiations.
- 3.5 **Subcomponent 1.2: Integrated forest management (US\$95,925; MIF: US\$54,000; Counterpart: US\$41,925).** This subcomponent will complement the previous one by providing an incentive for planning and instituting integrated forest management (Brazil nut plus timber), and the introduction of best practices and technologies with minimal environmental impact for the development of both products. To do this, ongoing technical assistance will be provided, and training workshops organized on various issues in the above-mentioned fields. Consulting assignments will be funded for: (i) the layout of forest land and mapping of territorial organizations, and (ii) the drafting of integrated forest management plans (IFMPs) and forest annual work plans (forest AWP).
- 3.6 **Component 2: Certification support (US\$264,450; MIF: US\$207,000; Counterpart US\$57,450).** This component seeks to support the introduction, by the project beneficiaries, of a certification process for sound forest management in keeping with FSC standards for Brazil nuts and timber, so as to make these products more competitive and improve market access. Like Component 1, this component's activities will be broken down into two subcomponents.
- 3.7 **Subcomponent 2.1: Forest product management (US\$53,950; MIF: US\$53,950).** This subcomponent seeks to make the FJMP a product certification facilitator or "steward" for the beneficiaries, given its profile, reach, and access to the various organizations/associations/unions of primary Brazil nut and timber producers. FJMP would administer a **group certification** model that is

approved/accepted by forestry certification bodies.<sup>5</sup> Actions under this subcomponent will be aimed at the development, promotion, operation, and ongoing adjustment of this program, based on the requirements of the certifying bodies. For this, it will hire a specialist in forest certification and management to supplement the FJMP's work at the head of a Forest Product Management Office, and a sociologist/anthropologist specialized in community forest development to head a new unit aimed at strengthening the social capital of the beneficiaries and their interaction with FJMP. Lastly, an external consulting assignment will be funded to design an institutional strategy for sustainable stewardship, so that the FJMP can generate resources for the operation (and continuity) of its certification facilitation service.

- 3.8 **Subcomponent 2.2: Certification (US\$67,050; MIF: US\$57,550; Counterpart: US\$9,500).** The objective is to obtain certification for the beneficiaries' forest management units. Technical assistance will be provided, and visits funded (internships), so that the beneficiaries can gain insight and a clear understanding of successful certification experiences and better comply with the standards this process demands. Initially, the emphasis will be on the concept, requirements, costs/benefits, and process of certification. Later, producers will be advised and supervised as they work through the process. The end goal will be for beneficiaries to earn Brazil nut certification for the organic and solidarity market, and timber certification up to FSC standards. Legal services will also be engaged to draft contracts between FJMP and the beneficiaries (establishing and ensuring compliance with certification duties and responsibilities), and to incorporate FJMP's new forest certification facilitation functions into its internal rules of procedure.
- 3.9 **Principal outcomes.** At least 50% of the beneficiaries are expected to see a 30% or greater increase in revenues from the introduction of: (i) the integrated management of their forest (allowing them to develop production of both Brazil nuts and timber), and (ii) production best practices for both products and certification of production. At least 35,000 hectares are expected to be certified, with the remainder (40,000 hectares) on the way to certification.

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<sup>5</sup> This arrangement is called a "forest stewardship model." The project seeks to enable certifying organizations (Smartwood, SCS, SGS, etc.) to authorize FJMP as guarantor that a group of forest producers (in this case, the beneficiaries) manages their forest units in keeping with the standards of the Forest Stewardship Council (FSC) for timber, and other current standards for Brazil nut certification.

#### IV. COST AND FINANCING

- 4.1 The project has a budget of US\$500,000. The MIF will contribute US\$350,000 (70%) in nonreimbursable funds, with the balance of US\$150,000 (30%) in counterpart resources. This local contribution will come from BOLFOR II, a project that has supported FJMP's community forestry activities since 2004.

Components	MIF	Counterpart	Total	%
Component 1: Forest management development	129,500	92,550	222,050	44%
Component 2: Certification support	111,500	9,500	121,000	24%
Management	93,500	47,950	141,450	28%
Monitoring and evaluation	12,500		12,500	3%
Audits	3,000		3,000	1%
<b>Total</b>	<b>350,000</b>	<b>150,000</b>	<b>500,000</b>	<b>100%</b>
Percentage (%)	70%	30%	100%	

- 4.2 **Sustainability.** The project will support FJMP in developing a sustainability strategy for the certification program that will be implemented in project year two and generate revenues to gradually cover FJMP's costs, so it can continue offering the group forest certification service to the beneficiaries. FJMP will promote partial payment for the certification services by the project beneficiaries (a minimum of 15% to 20% of the cost of the services), considering the increase in their revenues from a higher market price for certified products.

#### V. PROGRAM EXECUTION

- 5.1 **Executing agency.** The project executing agency will be Fundación José Manuel Pando (FJMP), a nonprofit organization headquartered in Cobija, founded in May 2002 and operating as a legal entity since that year. Its mission is to promote the sustainable development of the Department of Pando by involving public and private participants in the integrated, sustainable development of the Amazon forest based on the principles of social equity and preserving biodiversity. FJMP has four institutional members that are departmental in scope (three public and one private), and eleven individual members. It also has a board of directors and an advisory council governed by bylaws and rules of procedure. FJMP has an executive director, five officers, and technical staff with broad experience in (i) community and organizational forest management, (ii) land management, (iii) preservation of biodiversity, and (iv) research. Three advisors for a World Wide Fund for Nature (WWF) project also work with the organization.
- 5.2 Based on its strategic plan, FJMP has focused on forest development and has successfully managed resources from such major funders as the International

Tropical Timber Organization (ITTO) (US\$102,000) and USAID's Sustainable Forest Management Project BOLFOR I (US\$161,600) and BOLFOR II (US\$329,000). FJMP has also managed resources donated by the Field Museum of Chicago for the Centro de Investigación y Preservación de la Amazonía [Center for Research and Preservation of the Amazon] (CIPA) at the Universidad Amazónica de Pando (US\$145,000) and for Conservation International's Global Conservation Fund (GCF) (US\$18,000).

- 5.3 **Execution mechanism.** The project will be coordinated by FJMP's Forest Product Management Office (FPMO) with its three units for forest administration, forest management, and community development. A professional will be hired with experience in forest management and certification and the ability to coordinate projects with external resources, along with a finance/accounting assistant with a good command of MIF procedures to facilitate the administration of project funds. The counterpart resources will cover: (i) the fees of the directors of the forest administration and forest management units, and (ii) all logistics expenses (travel, vehicles, gasoline, etc.) required to operate the FPMO, including recurring office expenses.
- 5.4 The FPMO will plan, coordinate, and monitor the technical and financial execution of all project advisory, training, and consulting activities, so as to coordinate them with activities under BOLFOR II and other projects. The FPMO director, in conjunction with senior management, will also prepare the final terms of reference for external consulting assignments, including the selection procedure for specialists and their monitoring, and the relation of consulting assignment outputs to the project goals. In terms of this last responsibility, the FPMO will ensure that these consulting assignments, while benefiting the target group, also build internal capacity within FJMP. As the institution's legal representative, senior management will oversee the technical and administrative aspects of the project and will represent the institution under the mandate granted by the institution's board of directors, bylaws and rules of procedure. Within the scope of its authority, the board of directors will also ensure that the project is executed properly.
- 5.5 The project beneficiaries will be selected in accordance with the procedures given in the Operating Regulations. Selection criteria for communities and individual owner participants include: (i) a minimum organizational base; (ii) minimum security on land tenure; (iii) express willingness to enter into agreements; (iv) written intent to pay for management and certification support services rendered by FJMP; and (v) a willingness to share experiences with other communities and/or individual owners.
- 5.6 The **execution period** will be 36 months, and the disbursement period 42 months.
- 5.7 **Project readiness.** The terms of reference have been prepared for the project coordinators and primary consulting assignments, and the Operating Regulations

have been drafted. FJMP has also committed in writing to contribute the counterpart resources, at least 50% of which will be in cash.

- 5.8 **Procurement.** Consulting services, equipment, and materials will be procured for the project in accordance with Bank rules applicable to the private sector (documents GN-2350-4 and GN-2349-4). As these documents require, FJMP has presented its project procurement plan to the Bank's satisfaction. Procurement processes will be subject to prior review by the Bank. The Bank may move to post review of procurement processes during project execution, as the executing agency gains the experience to conduct them.

## VI. MONITORING AND EVALUATION

- 6.1 The Bank's Country Office in Bolivia will be responsible for supervision and control activities, monitoring compliance with contractual clauses, processing disbursement requests, and receiving audited financial statements. FJMP will deliver semiannual status reports to the Bank.
- 6.2 A final audit of the financial statements will be conducted by an independent firm acceptable to the Bank. The audit cost will be covered by the MIF contributions, in accordance with established procedures.
- 6.3 The project coordination unit will have a project **monitoring system** based on the schedule of activities, logical framework indicators, and annual work plan (AWP). This system will be the primary instrument used to monitor progress in project execution, objectives met, and impact achieved. Upon completion of execution, a closing workshop will be organized with the participation of the executing agency, Bank staff, and sector representatives, to evaluate outcomes and propose actions to enhance project sustainability.
- 6.4 The executing agency will hire an external consultant with MIF resources at project start (before activities with the project beneficiaries begin), to set the baseline indicators and develop the system for monitoring project outcomes.
- 6.5 The **midterm review** will be done 18 into the project or once 50% of the MIF resources have been used, to ensure that the project is making sufficient progress. The **final evaluation** will be done in the last three months of project execution. The emphasis will be on identifying best practices and lessons learned. The evaluations will be based on the logical framework indicators. The Bank will commission the consulting assignments for the midterm and final evaluations.



## VII. BENEFITS AND RISKS

- 7.1 **Benefits.** The Project will contribute to: (i) optimization of forest production through the introduction of an innovative model of forest development based on the concept of integrated management of timber and nontimber products (Brazil nut plus timber), thus helping to diversify sources of revenue for producers and reducing pressure on natural resources; (ii) mainstreaming of the concept and actual practice of certification by producers with limited resources, giving them greater access to more lucrative markets; (iii) enhancement of primary producers' skills at negotiating with intermediaries and processors, leading to fairer prices; and (iv) a conceptual and practical approach to integrated management and certification that can be replicated throughout Bolivia's northern Amazon region.
- 7.2 **Beneficiaries.** The project beneficiaries will be 85 families in five communities (two indigenous and three rural), covering a total of 45,000 hectares of forest. The indigenous communities are of the Tacana ethnic group and will represent 40% of the community beneficiaries. Beneficiaries will also include two individual production units (called "barracas"), whose additional forest concession totals 30,000 hectares and employs approximately 30 families of seasonal workers (contract employees). The project will also benefit four producers associations or organizations serving the project's target group.
- 7.3 **Risks.** One important risk for the project's success would be little willingness to pay for certification services among community beneficiaries. Such an attitude could limit the continuity of this service. To mitigate this risk, the program will raise beneficiary awareness of the benefits of certification, support the group certification system by lowering the costs of the process, and support product market negotiations. These actions will be essential to increasing beneficiaries' revenues and their ability to pay for the services.

## VIII. ENVIRONMENTAL AND SOCIAL REVIEW

- 8.1 This project will have positive environment impacts because it is focused on promoting: (i) integrated management of the Amazon forest, (ii) Brazil nut and timber certification, and (iii) the introduction of technologies and best practices with low environmental impact for the development of both sectors. In social terms, the project will benefit the poorest producers in the Brazil nut and timber production chains, as well as the region's indigenous communities. Also, since the certification process covers such worker-related issues as occupational safety and land tenure, the project is expected to favorably impact working conditions and gender equity.
- 8.2 CESI reviewed the project abstract in its meeting of 28 October 2005 and made the following recommendations: (i) include a beneficiary selection criterion related to

having the legal right to use the resources (land/natural resources) (see paragraph 5.5); (ii) ensure that the beneficiaries meet national forest management standards (see paragraph 3.5); (iii) follow FSC standards adapted to the Bolivian forest conditions, review the targets for certification by communities and owners, and include precertification activity (see paragraphs 3.6 and 3.7, the Logical Framework, and paragraph 3.7, respectively); and (iv) identify the indigenous groups who will be beneficiaries of the project and the percentage of the total they represent (paragraph 7.2). These recommendations have been implemented in the design of the operation as reflected in the cited paragraphs. The office of the CESI secretary determined that the recommendations had been incorporated into the donors memorandum on 18 November 2005.

**BOLIVIA**  
**LOGICAL FRAMEWORK**  
**SUSTAINABLE ENTERPRISE PRODUCTION IN BOLIVIA'S NORTHERN AMAZON FOREST (BO-M1009)**

Narrative summary	Indicators	Means of verification	Assumptions
<b>Goal</b>			
To contribute to the sustainable development of forest resources for primary Brazil nut and timber producers, making their products more competitive in certified markets and enhancing their economic benefits.	<b>By 1 year after project end:</b> <ul style="list-style-type: none"> <li>50% of beneficiaries see an increase in:               <ul style="list-style-type: none"> <li>(i) revenues of 30% or more;</li> <li>(ii) productivity of 20% for primary Brazil nut production;</li> </ul> </li> <li>Prices negotiated by beneficiaries for the sale of their certified products are 20% higher as a result of the project activities.</li> </ul>	<ul style="list-style-type: none"> <li>Project completion report (PCR)</li> <li>Project final evaluation</li> <li>Forest annual work plan (forest AWP) development report</li> <li>CEFOs-1 (Forest certificates no. 1)</li> <li>Coded FJMP certificates for production unit beneficiaries</li> <li>Integrated forest management plans (IFMPs) (contains standards for certification)</li> </ul>	International prices and demand for certified Brazil nuts and timber remain at or above current levels, making the project objectives sustainable.
<b>Purpose</b>			
To promote integrated forest management by primary Brazil nut and timber producers, along with best practices in production and marketing for both products.	<b>By project end:</b> <ul style="list-style-type: none"> <li>5 beneficiary communities (approximately 85 families) and 2 individual production units (IPU) produce timber and Brazil nuts by implementing their general integrated forest management plans (general IFMPs) and forest annual work plans (forest AWP);</li> <li>At least 3 communities and one individual production unit:               <ul style="list-style-type: none"> <li>introduce 50% of the new techniques and/or improved practices taught by FJMP for Brazil nut and timber production;</li> <li>introduce 25% of their production into certified export markets;</li> </ul> </li> <li>Post-harvest losses of Brazil nuts drops from 30% to 15% due to best practices.</li> </ul> <b>By month 18:</b> <ul style="list-style-type: none"> <li>2 communities and one IPU produce timber and Brazil nuts by implementing their general IFMP and forest AWP.</li> <li>At least 3 communities and one IPU: apply 25% of the new techniques and/or improved practices taught by FJMP for Brazil nut and timber production.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated forest management plans</li> <li>Sales contracts for marketed certified Brazil nuts and timber</li> <li>CEFOs-1 (Forest certificates no. 1)</li> <li>Forest AWP implementation report</li> <li>Project performance monitoring report (PPMR)</li> <li>Midterm and final evaluation reports</li> <li>PCR</li> <li>Midterm and final project evaluations</li> <li>Semiannual and final project monitoring reports delivered by FJMP</li> </ul>	International prices and demand for certified Brazil nuts and timber remain at or above current levels.

Narrative summary	Indicators	Means of verification	Assumptions
<b>COMPONENTS</b>			
<b>Component 1: Forest management development</b>			
<b>Subcomponent 1.1 Organizational development</b>	<p><b>By project end:</b></p> <ul style="list-style-type: none"> <li>At least 4 communities operate based on their bylaws and rules of procedure on access and use of forest resources;</li> <li>100% of beneficiary communities have established entrepreneurial community forest organizations.</li> </ul> <p><b>By month 18:</b></p> <ul style="list-style-type: none"> <li>At least 2 communities already have bylaws and rules of procedure on forest access and use;</li> <li>50% of beneficiary communities have established entrepreneurial community forest organizations.</li> </ul>	<ul style="list-style-type: none"> <li>Documentation: bylaws and rules of procedure</li> <li>Minutes of meetings, annual reports, agreements, and other organizational documents</li> <li>Sales receipts for timber and/or Brazil nuts, including price information, with certified companies (timber and Brazil nut buyers)</li> <li>Certified timber and Brazil nut sales recording system (required for certification)</li> <li>PPMR</li> <li>Midterm and final project evaluation reports</li> <li>PCR</li> <li>Semiannual and final project monitoring reports delivered by FJMP</li> </ul>	The communities and the IPU in the region demonstrate an interest in entrepreneurial organization.
<b>Subcomponent 1.2 Integrated forest management</b>	<p><b>By project end:</b></p> <ul style="list-style-type: none"> <li>100% of the beneficiaries (the 5 communities and the 2 IPU) have drafted Integrated forest management plans (IFMPs);</li> <li>The 5 communities and the 2 IPU have acquired the skills to successfully manage the IFMP.</li> </ul> <p><b>By month 18:</b></p> <ul style="list-style-type: none"> <li>2 communities and one IPU have an IFMP;</li> <li>2 communities and one IPU have the business management tools to manage their IFMP.</li> </ul>	<ul style="list-style-type: none"> <li>IFMP documentation</li> <li>Data on monitoring system for forest development and post development</li> <li>Certified timber and Brazil nut sales recording system (required for certification)</li> <li>Brazil nut and timber production database</li> <li>Sales receipts for timber and Brazil nuts</li> <li>Sales contracts including price information, with certified companies (buyers)</li> <li>PPMR</li> <li>Midterm and final project evaluation reports</li> <li>Basic business plans specific to each beneficiary</li> <li>Semiannual and final project monitoring reports delivered by FJMP</li> </ul>	The communities and the IPU in the region demonstrate an interest in integrated forest management using an IFMP.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component 2: Certification support</b>			
<b>Subcomponent 2.1</b> <b>Forest product management</b>	<b>By project end:</b> <ul style="list-style-type: none"> <li>FJMP has established itself as the region's first group certification organization (steward);</li> <li>FJMP has a fully operational certification program approved by certifying bodies.</li> </ul> <b>By month 18:</b> <ul style="list-style-type: none"> <li>FJMP has adapted its structure and procedures to the institutional requirements of group certification;</li> <li>FJMP has specific commitments with beneficiaries for voluntary group certification.</li> </ul>	<ul style="list-style-type: none"> <li>Document from certifying bodies to FJMP approving its group certification model</li> <li>Bylaws and rules of procedure for group certification approved by certifying bodies</li> <li>Revenue registry for group certification services</li> <li>PPMR</li> <li>Midterm and final project evaluation reports</li> <li>PCR</li> <li>Documentation/records of adjustments to rules of procedure for certification for evaluation phase</li> <li>Agreements and/or contracts signed with beneficiaries</li> <li>Semiannual and final project monitoring reports delivered by FJMP</li> </ul>	Certifying bodies recognize FJMP as a suitable institution to serve as steward for group forest certification.
<b>Subcomponent 2.2</b> <b>Certification</b>	<b>By project end:</b> <ul style="list-style-type: none"> <li>3 communities and the 2 IPU's have laid the groundwork for the certification of their products;</li> <li>16,000 m<sup>3</sup> of <b>certified</b> timber and 120 MT of <b>certified</b> Brazil nuts have been produced;</li> <li>45% of the land area served by the project (35,000 ha) is certified for Brazil nuts and timber and the remaining 55% (40,000 ha) is on the path toward certification.</li> </ul> <b>By month 18:</b> <ul style="list-style-type: none"> <li>50% of the beneficiaries are aware of the concepts and requirements for Brazil nut and timber forest certification.</li> </ul>	<ul style="list-style-type: none"> <li>FJMP record on beneficiaries accredited as members of group certification</li> <li>IFMP</li> <li>Certified timber and Brazil nut sales recording system</li> <li>PPMR</li> <li>Midterm and final project evaluation reports</li> <li>PCR</li> <li>Training event reports</li> <li>Documentation/records on delivery of certification information to beneficiaries</li> <li>Semiannual and final project monitoring reports delivered by FJMP</li> </ul>	The communities and the IPU's in the region demonstrate an interest in obtaining certification for their products and in contributing to the payment for such service.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component 1: Forest management development</b>			
<b>Subcomponent 1.1</b>			
<b>Organizational development</b>			
<b>Technical assistance</b>  Ongoing advisory support by FJMP to community organizations IPU's on (i) organizational development, (ii) business management, and (iii) negotiation skills.	<b>Technical assistance</b>  <b>By project end:</b> At least 80% of the field activities planned each year by FJMP to provide advisory support to beneficiaries in organizational development have been completed.	<ul style="list-style-type: none"> <li>Midterm and final evaluations</li> <li>PCR</li> <li>Annual work plans (AWP)</li> </ul>	<ul style="list-style-type: none"> <li>Local capacity exists for training and technical assistance.</li> </ul>
<b>Training</b>  <ul style="list-style-type: none"> <li>Workshops on organizational development</li> <li>Community workshops on business management</li> </ul>	<b>Training</b>  <b>By project end:</b> <ul style="list-style-type: none"> <li>The 5 communities, 2 IPU's, and 4 local and parent organizations have participated in 40 workshops on organizational development;</li> <li>The 5 communities, IPU's, and 4 local and parent organizations have participated in 40 workshops on business management.</li> </ul> <b>By month 18:</b> <ul style="list-style-type: none"> <li>The 5 communities, 2 IPU's, and 4 local and parent organizations have participated in 20 workshops on organizational development;</li> <li>The 5 communities, 2 IPU's, and 4 local and parent organizations have participated in 20 workshops on business management.</li> </ul>	<ul style="list-style-type: none"> <li>Technical and financial documentation on workshops</li> <li>Contracts with organizational development trainers</li> <li>Workshop report and attendance list</li> <li>Midterm and final evaluation</li> </ul>	
<b>External consulting assignment (EC)</b>  <ul style="list-style-type: none"> <li><b>EC-1:</b> <i>Management and supervision tools and business plans for individual and community forest property</i></li> </ul>	<b>Consulting assignments</b> <ul style="list-style-type: none"> <li><b>EC-1</b> conducted through month 18 and its outputs promoted for FJMP to introduce to beneficiaries in years 2 and 3;</li> <li><b>EC-2</b> conducted in project year 1;</li> <li>Based on <b>EC-2</b>, the consultant will provide advisory support to the beneficiaries in conjunction with FJMP</li> </ul>	<b>For all consulting assignments</b> <ul style="list-style-type: none"> <li>Written report on consulting assignment</li> <li>FJMP contact with consultant</li> <li>Written documentation on business plans of beneficiaries that use them</li> <li>Reports on advisory support provided by consultant to beneficiaries (as applicable)</li> </ul>	<ul style="list-style-type: none"> <li>Quality consultants are available for consulting assignments.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions																														
<ul style="list-style-type: none"><li>• <b>EC-2:</b> <i>Support to beneficiaries in marketing, foreign trade, and negotiation skills</i></li><li>• <b>EC-3:</b> <i>Legal services for Brazil nut and timber sales contracts</i></li></ul>	<p>on marketing, foreign trade, and negotiation skills in years 2 and 3;</p> <ul style="list-style-type: none"><li>• <b>EC-3:</b> Legal services for Brazil nut and timber sales contracts.</li></ul>																																
<p><b>Instructional material</b></p> <p>Conceptual design, art/graphic design and printing of instructional brochures, manuals, and guides to supplement training and technical assistance in organizational development, business management, negotiation skills, integrated forest management, etc.</p>	<ul style="list-style-type: none"><li>• The following instructional materials have been designed, produced, printed, and distributed to all beneficiaries:</li></ul> <table><tr><th>Training and technical assistance area</th><th>Guide</th><th>Flip chart</th><th>Brochures</th><th>Teaching game</th></tr><tr><td>Organizational development</td><td>2</td><td>1</td><td></td><td>2</td></tr><tr><td>Business management</td><td></td><td>3</td><td>3</td><td>1</td></tr><tr><td>Best practices</td><td></td><td>1</td><td>1</td><td></td></tr><tr><td>Timber/Brazil nut certification</td><td></td><td>1</td><td>1</td><td></td></tr><tr><td>Total</td><td>2</td><td>6</td><td>5</td><td>3</td></tr></table>	Training and technical assistance area	Guide	Flip chart	Brochures	Teaching game	Organizational development	2	1		2	Business management		3	3	1	Best practices		1	1		Timber/Brazil nut certification		1	1		Total	2	6	5	3	<ul style="list-style-type: none"><li>• Sample of printed instructional materials developed by FJMP</li></ul>	
Training and technical assistance area	Guide	Flip chart	Brochures	Teaching game																													
Organizational development	2	1		2																													
Business management		3	3	1																													
Best practices		1	1																														
Timber/Brazil nut certification		1	1																														
Total	2	6	5	3																													
<p><b>Subcomponent 1.2:</b></p> <p><b>Integrated forest management</b></p>																																	
<p><b>Technical assistance</b></p> <p>Ongoing advisory support to community organizations and operators of individual parcels known as "barracas" on Brazil nut and timber technologies and best practices:</p>	<p><b>Technical assistance</b></p> <p><b>By project end:</b></p> <ul style="list-style-type: none"><li>• At least 80% of the project field activities planned each year by FJMP to provide advisory support to beneficiaries in organizational development have been completed.</li></ul>	<ul style="list-style-type: none"><li>• Midterm and final evaluations</li><li>• PCR</li><li>• AWP</li></ul>																															
<p><b>Training</b></p> <ul style="list-style-type: none"><li>• Workshops on technology and best practices for Brazil nut and timber exploitation</li></ul>	<p><b>Training</b></p> <p><b>By project end:</b></p> <ul style="list-style-type: none"><li>• The 5 communities, 2 IPUs, and 4 local and parent organizations have participated in 3 workshops on technology and best practices for Brazil nut and timber exploitation.</li></ul> <p><b>By month 18:</b></p> <ul style="list-style-type: none"><li>• The 5 communities, 2 IPUs, and 4 local and parent organizations have participated in 2 workshops on</li></ul>	<ul style="list-style-type: none"><li>• Midterm and final evaluations</li><li>• Midterm and final project reports (PCR)</li><li>• Technical and financial documentation on workshops</li><li>• Contracts with organizational development trainers (as applicable)</li><li>• Workshop report and attendance list</li></ul>	<ul style="list-style-type: none"><li>• Local capacity exists for training and technical assistance</li></ul>																														

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>External consulting assignments (EC)</b></p> <ul style="list-style-type: none"> <li>• <b>EC-4:</b> <i>Development of IFMPs;</i></li> <li>• <b>EC-5:</b> <i>Development of forest AWP;</i></li> <li>• <b>EC-6:</b> <i>Layout of forest land and mapping of territorial organizations.</i></li> </ul>	<p>technology and best practices for Brazil nut and timber exploitation.</p> <p><b>Consulting assignments</b></p> <ul style="list-style-type: none"> <li>• <b>EC-4 and EC-5:</b> 3 IFMPs and 6 forest AWP have been developed through project month 18, and their outputs promoted for FJMP to introduce to beneficiaries in years 2 and 3.</li> </ul> <p><b>By project end:</b> 5 beneficiary communities and 2 IPUs have implemented their IFMP.</p> <p><b>By month 18:</b> 2 beneficiary communities and 1 IPU have implemented their IFMP and forest AWP.</p> <p><b>EC-6:</b></p> <p><b>By month 18:</b></p> <ul style="list-style-type: none"> <li>• The natural resource use and development maps for beneficiary land (5 communities and 2 IPUs) have been prepared and laid out in the field.</li> <li>• <b>EC-6:</b> All beneficiaries have agreed in writing to layout of their land and to their territorial organization map.</li> </ul>	<ul style="list-style-type: none"> <li>• Midterm and final evaluation reports</li> <li>• Written report on consulting assignment</li> <li>• FJMP contact with consultant</li> <li>• Written documentation on IFMPs and forest AWP</li> <li>• CEFOs-1 (Forest certificates no. 1)</li> <li>• Forest AWP implementation report</li> </ul> <ul style="list-style-type: none"> <li>• Midterm review</li> <li>• Written report on consulting assignment</li> <li>• Written documentation on agreements with beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Quality consultants are available for consulting assignments</li> </ul>
<b>Component 2: Certification support</b>			
<b>Subcomponent 2.1: Forest product management</b>			<ul style="list-style-type: none"> <li>•</li> </ul>
<p><b>Technical support for FJMP</b></p> <ul style="list-style-type: none"> <li>• Contracting of consultants (<b>IC</b>) for the Forest Product Management Office (FPMO)</li> <li>– <b>IC-1:</b> Forester to provide technical support to FJMP on forest project management;</li> <li>– <b>IC-2:</b> Sociologist/anthropologist for the forest community development unit.</li> </ul>	<p><b>Technical support for FJMP</b></p> <ul style="list-style-type: none"> <li>• <b>IC-1 – IC-2:</b> Consultants contracted in year 1.</li> <li>• The FPMO prepares project AWP at the end of each year.</li> </ul>	<ul style="list-style-type: none"> <li>• Professional services contracts with FJMP;</li> <li>• Project AWP</li> <li>• Midterm review</li> </ul>	<ul style="list-style-type: none"> <li>• Community beneficiaries are motivated by the project outcomes, and therefore willing to pay for certification.</li> <li>• Barraca operators are motivated by the project outcomes, and therefore willing to cover the costs of meeting the social requirements for certification of their</li> </ul>



Narrative summary	Indicators	Means of verification	Assumptions
			forest land.
<b>External consulting assignments (EC)</b> <ul style="list-style-type: none"> <li>• <b>EC-7:</b> <i>Design of institutional strategy for sustainability of the FJMP certification model.</i></li> </ul>	<b>External consulting assignments (EC)</b> <ul style="list-style-type: none"> <li>• <b>CE-7</b> is developed in project year 1; Based on <b>CE-7</b>, FJMP implements an institutional strategy for sustainability of the certification model that enables it to cover at least 25% of service costs with resources coming mainly from the project beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Written report on consulting assignment</li> <li>• FJMP contact with consultant</li> <li>• Midterm review</li> <li>• Midterm and final evaluation reports</li> <li>• Midterm and final project reports (PCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Quality consultants are available for consulting assignments.</li> </ul>
<b>Equipment</b> <ul style="list-style-type: none"> <li>• Computer system and printing</li> <li>• Surveying and field equipment</li> <li>• Audiovisual equipment</li> </ul>	<b>Equipment</b> <ul style="list-style-type: none"> <li>• FJMP has purchased the audiovisual, computer, and field equipment and is using it in project year 1.</li> </ul>	<ul style="list-style-type: none"> <li>• Invoices for purchases</li> </ul>	
<b>Subcomponent 2.2 Certification</b>			
<b>External consulting assignments (EC)</b> <ul style="list-style-type: none"> <li>• Legal services: <ul style="list-style-type: none"> <li>- <b>EC-8:</b> Contracts between FJMP and beneficiaries for certification work.</li> <li>- <b>EC-9:</b> Adjustment of FJMP documents to expand certification facilitation functions.</li> </ul> </li> <li>• <b>EC-10:</b> Timber certification.</li> <li>• <b>EC-11:</b> Brazil nut certification</li> <li>• <b>EC-12:</b> Audit of timber certification.</li> <li>• <b>EC-13:</b> Audit of Brazil nut certification.</li> </ul>	<b>External consulting assignments (EC)</b> <ul style="list-style-type: none"> <li>• <b>EC-8:</b> Contracts between FJMP and beneficiaries for certification work have been prepared and signed by both parties by project month 18.</li> <li>• <b>EC-9:</b> Certification facilitation functions have been legally added to FJMP's bylaws and rules of procedure by project month 18.</li> <li>• <b>EC-9:</b> FJMP is legally empowered to charge for group certification by project year 3.</li> <li>• <b>EC-10 and EC-11:</b> Executed in project year 2 enabling FJMP to earn the group certification steward certificate for the FSC and for Brazil nuts (FLO and solidarity).</li> <li>• <b>EC-12 and EC-13:</b> Audits done in project year 3.</li> <li>• <b>EC-12 and EC-13:</b> Both result in satisfactory opinions as to compliance with certification standards for forest production units (Brazil nuts and timber).</li> </ul>	<ul style="list-style-type: none"> <li>• Contract entered into by FJMP and beneficiaries and registered with a notary</li> <li>• Midterm and final evaluation reports</li> <li>• Contract between FJMP and beneficiaries</li> <li>• FJMP taxpayer record and identification number (NIT) issued by the Bolivian National Tax Service</li> <li>• FJMP invoices for certification services</li> <li>• Service delivery contract for certification</li> <li>• Certification service provider report to FJMP</li> <li>• Final evaluation</li> <li>• Service delivery contract for audits</li> <li>• Auditor's report to FJMP</li> </ul>	<ul style="list-style-type: none"> <li>• Quality consultants are available for consulting assignments.</li> </ul>
<b>Training</b> <ul style="list-style-type: none"> <li>• Workshops with beneficiaries on Brazil nut and timber certification standards: 3 events.</li> </ul>	<b>Training</b> <p><b>By project end:</b></p> <ul style="list-style-type: none"> <li>• The 5 communities, 2 IPUs, and 4 local and parent organizations participate in 3 workshops on Brazil nut and timber certification standards.</li> </ul> <p><b>By month 18:</b></p> <ul style="list-style-type: none"> <li>• 1 training seminar on certification has been held for 5 communities, 2 IPUs, and 4 local and parent organizations.</li> </ul>	<ul style="list-style-type: none"> <li>• Midterm and final evaluation reports;</li> <li>• Midterm and final project reports (PCR)</li> <li>• Technical and financial documentation on each workshop</li> <li>• Contracts with organizational development trainers (as applicable);</li> <li>• Workshop report and attendance list</li> </ul>	Local capacity exists for training activities.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Internships</b> <ul style="list-style-type: none"> <li>Visit by technical team and beneficiaries to “La Chonta” or another area (Santa Cruz, Bolivia) for hands-on learning – certification model.</li> </ul>	<b>Internships</b> <ul style="list-style-type: none"> <li>Visit by technical team and beneficiaries to “La Chonta” or another area (Santa Cruz, Bolivia) for hands-on learning – certification model.</li> </ul>	<ul style="list-style-type: none"> <li>Accounting documentation on internship</li> <li>Travel report of technical staff</li> </ul>	

**Project Budget**  
**Sustainable Enterprise Production in Bolivia's Northern Amazon Forest (BO-M1009)**

Component	Subcomponent	Category	Breakdown	Budget (in US\$)							
				Unit	Unit cost	Quantity	Total cost	MIF	Counterpart		
									In cash	In kind	
1. Forest management development	1.1. Organizational development and negotiation skills	Technical assistance	Advisory support to beneficiaries - organizational development	Lump sum	40,425	1	40,425		40,425		
		Training	Community workshops - organizational development	Workshop	500	40	20,000	20,000			
			Community workshops - business management	Workshop	500	40	20,000	20,000			
		Consulting assignments	Design - management and supervision tools; business plans - individual and community forest property	Consultant	15,000	1	15,000	15,000			
			Support to beneficiaries in marketing, foreign trade, and negotiation skills	Consultant	2,500	8	20,000	20,000			
			Legal services for sales contracts	Legal svcs.	500	1	500	500			
		Instructional material	Design and printing of brochures, posters, etc.	Lump sum	10,200	1	10,200		10,200		
	Total subcomponent 1.1							126,125	75,500	50,625	0
	1.2. Integrated forest management	Technical assistance	Ongoing advisory support to beneficiaries in integrated forest management	Lump sum	40,425	1	40,425		40,425		
		Training	Workshops on technologies and best practices	Workshop	500	3	1,500		1,500		
		Consulting assignments	Development of integrated forest management plans (IFMP)	IFMP	8,000	3	24,000	24,000			
			Development of forest annual work plans (forest AWP)	Forest AWP	4,000	6	24,000	24,000			
			Layout of forest land and mapping of territorial organizations	Consultant	1,000	6	6,000	6,000			
	Total subcomponent 1.2							95,925	54,000	41,925	0
TOTAL COMPONENT 1							222,050	129,500	92,550	0	
2. Certification support	2.1. Forest product management (coordination)	Technical support	Sociologist/anthropologist	Month	730	32	23,360	23,360			
			Forester for technical support	Month	730	33	24,090	24,090			
		Consulting assignment	Design of institutional strategy for sustainability of the FJMP certification model	Consultant	6,500	1	6,500	6,500			
	Total subcomponent 2.1							53,950	53,950	0	0
	2.2. Certification	Consulting assignments	Drafting of certification contracts between FJMP and beneficiaries	Legal svcs.	550	1	550	550			
			Adjustment of FJMP documents, expansion of certification facilitation duties	Legal svcs.	500	1	500		500		
			FSC evaluation - timber certification	Certification services	40,000	1	40,000	40,000			
			FLO and organic evaluation - Brazil nut certification	Certification services	10,000	1	10,000	10,000			
			Audit of timber certification	Audit	3,500	1	3,500	3,500			
			Audit of Brazil nut certification	Audit	3,500	1	3,500	3,500			
		Training	Workshops on Brazil nut and timber certification standards	Workshop	500	3	1,500		1,500		
		Internships	Visit by technical team and beneficiaries to "La Chonta" forest concession	Visit	7,500	1	7,500		7,500		
	Total subcomponent 2.2							67,050	57,550	9,500	0
	TOTAL COMPONENT 2							121,000	111,500	9,500	0
3. Project management		Technical	Project coordinator - certification	Month	2,000	33	66,000	66,000			
		Management	Accounting assistant	Month	350	36	12,600	12,600			
		Logistics	Travel expenses for technical staff	Month	350	33	11,550		11,550		
			Leased pickup truck	Month	800	32	25,600			25,600	
		Equipment	Computer system, field equipment,	Lump sum	14,900	1	14,900	14,900			
		Office expenses	Leased office space	Month	150	36	5,400			5,400	
			Operating costs (phone, electricity, water)	Month	100	36	3,600			3,600	
			Paper and office supplies	Month	50	36	1,800		1,800		
TOTAL COMPONENT 3							141,450	93,500	13,350	34,600	
4. Monitoring and evaluation	4.1. Evaluations	Monitoring system and baseline			2,000	1	2,000	2,000			
		Midterm review			4,500	1	4,500	4,500			
		Final evaluation			6,000	1	6,000	6,000			
	Total subcomponent 4.1							12,500	12,500	0	0
	4.2. Financial audit	By project-end			3,000	1	3,000	3,000			
Total financial audit 4.2							3,000	3,000	0	0	
TOTAL COMPONENT 4							15,500	15,500	0	0	
GRAND TOTAL							500,000	350,000	115,400	34,600	

**SUSTAINABLE ENTERPRISE PRODUCTION IN BOLIVIA'S NORTHERN AMAZON FOREST (BO-M1009)  
RELATED PROJECTS AND COUNTRY PORTFOLIO**

**A. Similar or related MIF projects**

<b>Project number / date of approval</b>	<b>Project title, executing agency, and amount</b>	<b>Date of signing and disbursement period in months</b>	<b>Percentage disbursed</b>	<b>Comments</b>
ATN/ME-6716-BO  27-Oct-99	Craft Marketing Program  Fundación Quipus  \$1 million	28-Jan-00  54 months (6-month extension)	100%	Project completed with highly satisfactory rating (HS/HP). The program surpassed its objectives and has been built into Fundación Quipus, operating without MIF resources since September 2004.

**B. Similar or related Bank projects**

<b>No.</b>	<b>Loan</b>	<b>Project</b>	<b>Title</b>	<b>Executing agency</b>	<b>Approval</b>	<b>Loan amount US\$</b>	<b>% Disbursed</b>	<b>Comments</b>
1	1057/SF-BO	BO-0176	Agricultural services program	MACA	26-Apr-2000	34 million	48	Execution progress: Satisfactory. Achievement of development objectives: Probable.
2	1515/SF-BO	BO-0179	Rural productive support program	MACA	10-Dec-2003	13.5 million	4	Execution progress: Satisfactory. Achievement of development objectives: Probable.

**C. MIF Portfolio in Bolivia**

No.	Memo #	Project #	ATN #	Name	Executing agency	FAC	Approval	Status	MIF amount	% Disbursed
1	MIF/AT-1	TC9307431	ATN/ME-4409-BO	Fortalecimiento de Instituciones de Crédito Rural que sirven a Microemprendedores	SANLUIS	IIIa	8-Dec-93	Complete	799,303	100.00
2	MIF/AT-4	TC9309221	ATN/MT-4451-BO	Capitalización de Empresas Públicas	SNCA	I	9-Feb-94	Complete	2,289,856	100.00
3	MIF/AT-7-1	BO0049	6/MS-BO	Financiamiento a Asociación Pro-Crédito e Inversión en Equity		IIIb	18-May-94	Complete	1,400,000	100.00
4	MIF/AT-7-1	TC9307423	ATN/ME-4533-BO	Financiamiento para Asociación Pro-Crédito e Inversión en Equity	AC	IIIa	18-May-94	Complete	199,112	100.00
5	MIF/AT-7-1	TC9404352	EQU/MS-0002-BO	Financiamiento para Asociación Pro-Crédito e Inversión en Equity	BDA	IIIb	18-May-94	Complete	400,000	100.00
6	MIF/AT-23	TC9408312	ATN/MT-4741-BO	Modernización del Comercio Internacional	CNI	I	7-Dec-94	Complete	742,922	100.00
7	MIF/AT-26	TC9306475	ATN/ME-4757-BO	Desarrollo Sustentable y Programa de Ecoturismo en San José de Uchupiamonas	CI-BOLIVIA	IIIa	14-Dec-94	Complete	1,249,661	100.00
8	MIF/AT-72	TC9408148	ATN/MH-5130-BO	Programa de Entrenamiento para Jóvenes Trabajadores	MDH	II	23-Jan-96	Complete	2,939,109	100.00
9	MIF/AT-108	TC9605166	ATN/MT-5442-BO	Privatización del Mercado de Agua	MC	I	11-Dec-96	Complete	960,808	100.00
10	MIF/AT-120	TC9605182	ATN/MT-5511-BO	Concesiones de Transporte	ST	I	5-Mar-97	Complete	480,000	100.00
11	MIF/AT-116	TC9605174	ATN/MH-5524-BO	Modernización de las Relaciones Laborales	MTB	II	9-Apr-97	In execution	1,479,450	84.84
12	MIF/AT-169	TC9710379	ATN/MT-5946-BO	Supervisión de servicios No bancarios	SB	I	6-May-98	Complete	804,757	100.00
13	MIF/AT-188	TC9710171	ATN/ME-6051-BO	Apoyo a los Servicios para Empresas Urbanas Competitivas	IDEPRO	IIIa	15-Jul-98	Complete	1,058,910	100.00
14	MIF/AT-191	TC9710189	ATN/MT-6087-BO	Desarrollo de Mecanismos para Exportación e Inversión	MCEI	I	5-Aug-98	Complete	1,491,740	100.00
15	MIF/AT-209	TC9704067	ATN/ME-6242-BO	Apoyo para Pequeñas Empresas Industriales	BOLINVEST	IIIa	11-Nov-98	Complete	1,729,958	100.00
16	MIF/AT-215	TC9804346	EQU/MS-6263-BO	Bolivia Capital Activo	IDB	IIIb	24-Nov-98	In execution	4,900,000	62.74
17	MIF/AT-225	TC9805055	ATN/MT-6354-BO	Consolidación y Desarrollo de Capital Market	SPVS	I	13-Jan-99	Complete	751,935	100.00

No.	Memo #	Project #	ATN #	Name	Executing agency	FAC	Approval	Status	MIF amount	% Disbursed
18	MIF/AT-230	TC9805063	ATN/MT-6374-BO	Implementación de Reforma de Pensión	SPVS	I	3-Feb-99	Complete	897,998	100.00
19	MIF/AT-252	TC9902018	ATN/ME-6519-BO	Fortalecimiento Institucional de Sartawi Rural Financial Services	FSARTAWI	IIIa	25-May-99	Complete	143,940	100.00
20	MIF/AT-282	TC9902021	ATN/ME-6656-BO	Fortalecimiento de ECOFUTURO	ECOFUTURO	IIIa	17-Sep-99	Complete	111,291	100.00
21	MIF/AT-283	TC9902024	ATN/ME-6657-BO	Fortalecimiento de FIE	FIE	IIIa	17-Sep-99	Complete	231,895	100.00
22	MIF/AT-280	TC9810484	EQU/MS-6678-BO	Inversión en Equity en PRODEM	PRODEM	IIIb	22-Sep-99	Approved	2,000,000	0.00
23	MIF/AT-280	TC9907001	ATN/ME-6668-BO	Inversión en Equity en PRODEM	PRODEM	IIIa	22-Sep-99	Cancelled	0	0.00
24	MIF/AT-297	TC9902017	ATN/ME-6716-BO	Programa de Mercado para Artesanías Culturales	FQUIPUS	IIIa	27-Oct-99	In execution	1,000,000	97.43
25	MIF/AT-319	TC9904041	ATN/MT-6950-BO	Programa Industria de Seguros	SPVS	I	26-Apr-00	In execution	840,000	90.48
26	MIF/AT-331	TC9905039	ATN/MH-7005-BO	Capacitación empresas agropecuarias	CALP	II	14-Jun-00	In execution	400,000	42.37
27	MIF/AT-331	TC0008035	ATN/MH-7115-BO	Capacitación empresas agropecuarias	CAO	II	14-Jun-00	In execution	500,000	62.33
28	MIF/AT-331	TC0008036	ATN/MH-7116-BO	Capacitación empresas agropecuarias	FGBP	II	14-Jun-00	In execution	300,000	84.78
29	MIF/AT-364	TC9908045	ATN/MT-7180-BO	Conciliación y Arbitración Comercial	CICSC	I	20-Oct-00	In execution	300,000	92.65
30	MIF/AT-407	TC0007008	ATN/MH-7409-BO	Mejoramiento de Competitividad de SME en Bolivia	IBNORCA	II	25-Apr-01	In execution	651,600	19.77
31	MIF/AT-444	TC0104010	ATN/MT-7691-BO	Promoción de Movilización de Ahorros en Microfinanzas	FONDESIF	I	27-Nov-01	In execution	1,220,000	19.53
32	MIF/AT-492	TC0201038	ATN/MT-7979-BO	Apoyo a la Modernización de la Registración de Negocios	FUNDEMPRESA	I	7-Aug-02	In execution	914,000	41.16
33	MIF/AT-547	TC0201037	ATN/ME-8431-BO	Desarrollo de E-Commerce en Santa Cruz	CAINCO	IIIa	10-Sep-03	In execution	626,000	8.47
34	MIF/AT-577	TC0210000	ATN/MT-8603-BO	Fortalecimiento de la Seguridad de Aeropuertos en Bolivia	DGAC	I	12-Jan-04	In execution	500,000	7.42
35	MIF/AT-631-1	BO-M1001	83/MS-BO	Profundización del Mercado de Leasing en Bolivia	FFP	IIIb	8-Dec-04	Approved	400,000	0.00
36	MIF/AT-631-1	BO-M1001	92/MS-BO	Profundización del Mercado de Leasing en Bolivia	FFP	IIIb	8-Dec-04	Approved	1,500,000	0.00
37	MIF/AT-631-1	BO-M1001	ATN/ME-8989-BO	Profundización del Mercado de Leasing en Bolivia	FFP	IIIb	8-Dec-04	Approved	65,000	0.00
38	MIF/AT-634	BO-M1003	84/MS-BO	Banco para la Mujer	FUNBODEM	IIIb	8-Dec-04	Approved	540,000	0.00
39	MIF/AT-634	BO-M1003	ATN/ME-9000-BO	Banco para la Mujer	FUNBODEM	IIIb	8-Dec-04	Approved	90,000	0.00
40	MIF/AT-685	BO-M1006	ATN/ME-9473-BO	Desarrollo de Servicios para Mejorar el Acceso y el Manejo de las Remitancias	PRODEM	IIIa	28-Oct-05	Approved	291,610	0.00
<b>Total MIF amount</b>									<b>37,200,855</b>	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Bolivia. Nonreimbursable Technical Cooperation for the Sustainable Enterprise Production in  
Bolivia's Northern Amazon Forest

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with Fundación José Manuel Pando, and to take such additional measures as may be pertinent for the execution of the project proposal contained in Document MIF/AT-\_\_\_\_\_ with respect to a technical cooperation for the Sustainable Enterprise Production in Bolivia's Northern Amazon Forest.

2. That up to the amount of US\$350,000, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the technical cooperation resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.