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Resilient nations.*

ESE'EJA NATIVE COMMUNITY OF INFIERNO

Peru



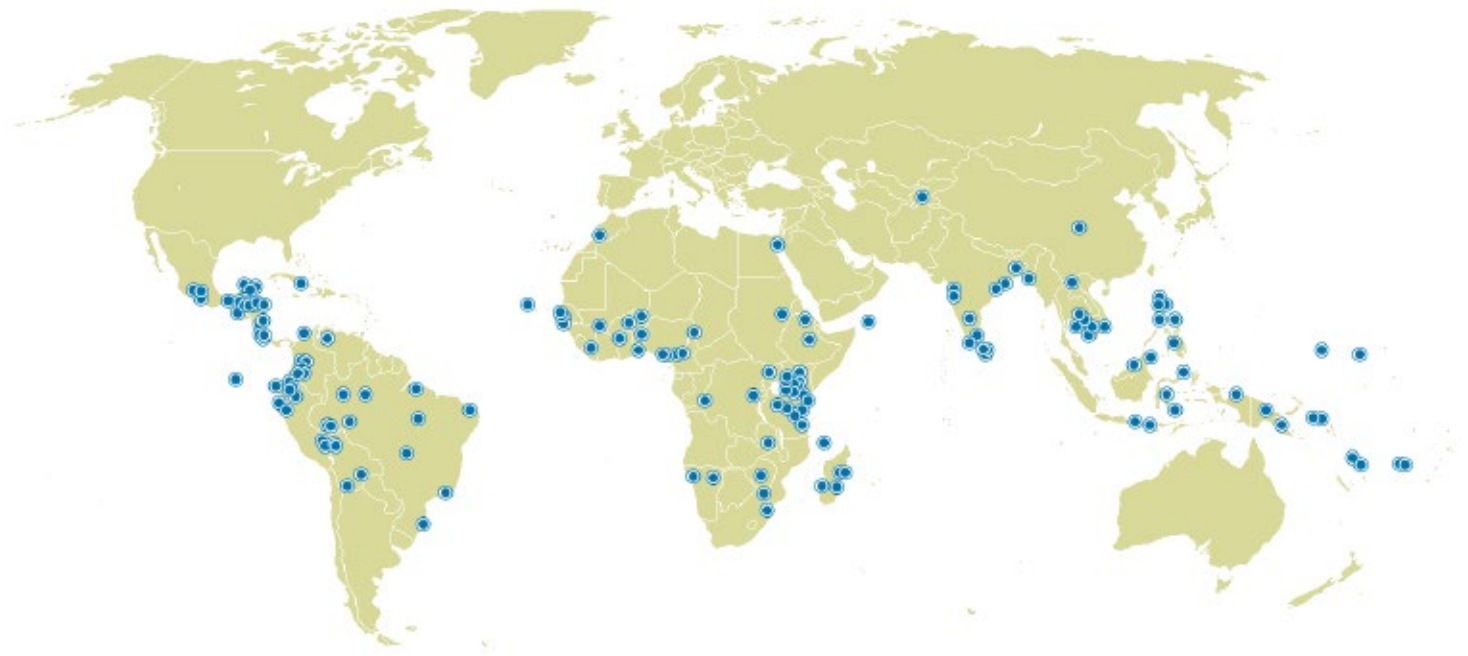
Equator Initiative Case Studies

Local sustainable development solutions for people, nature, and resilient communities

UNDP EQUATOR INITIATIVE CASE STUDY SERIES

Local and indigenous communities across the world are advancing innovative sustainable development solutions that work for people and for nature. Few publications or case studies tell the full story of how such initiatives evolve, the breadth of their impacts, or how they change over time. Fewer still have undertaken to tell these stories with community practitioners themselves guiding the narrative.

To mark its 10-year anniversary, the Equator Initiative aims to fill this gap. The following case study is one in a growing series that details the work of Equator Prize winners – vetted and peer-reviewed best practices in community-based environmental conservation and sustainable livelihoods. These cases are intended to inspire the policy dialogue needed to take local success to scale, to improve the global knowledge base on local environment and development solutions, and to serve as models for replication. Case studies are best viewed and understood with reference to *'The Power of Local Action: Lessons from 10 Years of the Equator Prize'*, a compendium of lessons learned and policy guidance that draws from the case material.



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ESE'EJA NATIVE COMMUNITY OF INFIERNO

Peru

PROJECT SUMMARY

The Ese'eja Native Community was the first community to take advantage of Peru's law of native communities within the state of Madre de Dios, receiving legal title to 9,558 hectares of land on both sides of the Tambopata River in the late 1970s. As a condition of defending their lands in the 1980s, the community was obliged to set aside roughly 3,000 hectares as a communal reserve where hunting, logging, forestry, or any other type of resource extraction were prohibited.

Since 1996, in partnership with a private sector company, the community has jointly managed an ecotourism lodge called Posada Amazonas that take advantage of this 3,000 ha forest area. Between 1997 and 2007, net revenues from the lodge totaled more than USD 250,000. Profits have typically been divided equally among the community's 500 members; in 2000, the community set aside 25 percent for investment in education, enabling the construction and operation of the only rural secondary school in the region.

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KEY FACTS

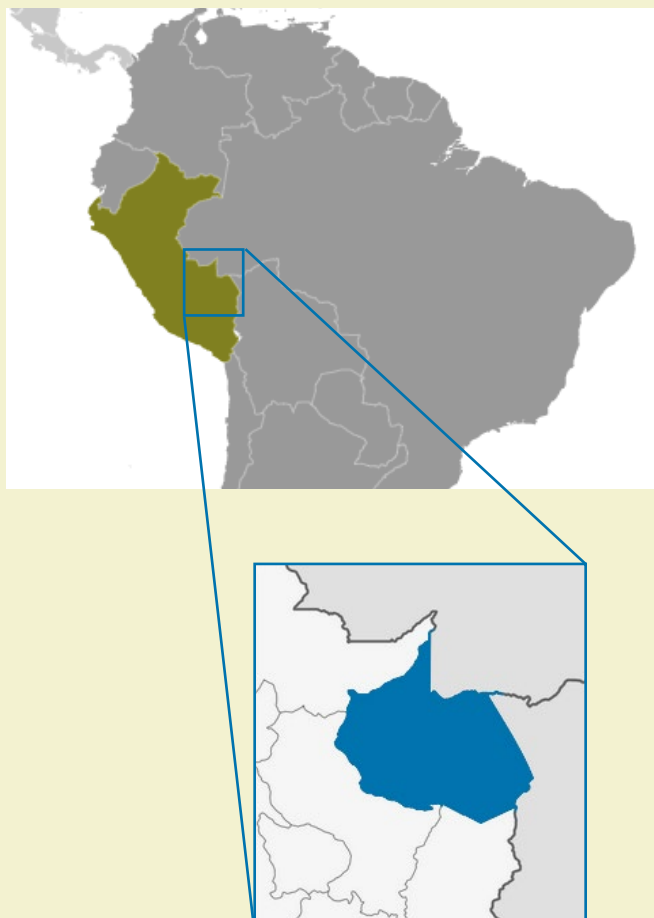
EQUATOR PRIZE WINNER: 2002

FOUNDED: 1996

LOCATION: Madre de Dios state

BENEFICIARIES: 500 community members

BIODIVERSITY: Harpy eagles, giant otters



Background and Context



The Ese'ejá Native Community of Infierno is an indigenous group in Peru whose ancestral homeland is located on the Tambopata River in the Madre de Dios region – one of the world's biodiversity hotspots. The region is characterized by low-lying Amazonian rainforest, and contains a number of endangered species including Amazonian turtles, caimans, macaws and the Giant River Otter. As with many regions of the Amazon, land conversion for agriculture, illegal logging, deforestation and habitat loss are clear and present challenges.

Native Community of Infierno

The formation of the Ese'ejá Native Community of Infierno dates back to 1974, when the Peruvian government passed the Law of Native Communities, which stipulated that all indigenous peoples in the Amazonian region were entitled to form communities, have their lands demarcated, and, in turn, gain formal legal recognition of inalienable territorial rights. Towards this end, Ese'ejá joined with other Andean and riparian inhabitants of the Infierno region to form the Native Community of Infierno. While this process of mobilization and constitution took two full years, the group emerged as the first "native community" to be officially recognized within the state of Madre de Dios. The community was given legal title to 9,558 hectares of land on both sides of the Tambopata River.

Beginnings of community-based ecotourism

In the beginning of the 1990s, the Madre de Dios region registered a sharp increase in the number of tourists visiting the area. In part at least, this increase can be linked to creation of the Tambopata National Reserve, a 275,000-hectare conservation area created by the Peruvian National Institute of Natural Resources (INRENA) to protect the watersheds of the Tambopata and Candamo rivers. During the process of demarcating this conservation area, a section of the Native Community of Infierno territory was mistakenly added to the reserve. The community successfully disputed this decision in 1987, and managed to get the land back within the legal community do-

main. A condition of the resolution process, however, was that the area be declared a reserve within the community-based land management plan. As such, the community was obligated to set aside roughly 3,000 hectares of land – nearly 30 percent of their territory – as a communal reserve where hunting, logging, forestry, or any other type of resource extraction were prohibited. To take advantage of the unique biodiversity in this communal reserve – an area that had been uninhabited for 20 years – the community decided to embark on a low-impact ecotourism venture that would at once benefit and yet not directly disturb or intrude upon the lives of families in the Infierno community.

Partnership with Rainforest Expeditions

In 1996, the community agreed to a contract with a private partner, Rainforest Expeditions. The agreement established a participatory ecotourism project, which had at its centre an Amazonas eco-lodge. A 20-year timeline was established to transfer management of the lodge over to the community. Until that time, community members would be supported to develop sufficient organizational and managerial skills to independently run the business. While the community retains full ownership of the lodge, a profit share of 40 percent with Rainforest Expeditions is in place until 2016 to recover the costs of initial investment and capacity building. In the interim, the lodge is run using a co-management model, which is overseen by a 'control committee'.

Organizational and governance structure

The committee maintains an equal balance of the relevant stakeholders – five members from the community, and five from Rainforest Expeditions. The community contingent is elected by a communal assembly, and meets monthly with the representatives from Rainforest Expeditions to discuss matters relating to human resources, financial needs, and operational issues.

Key Activities and Innovations



The Ese'jeja Native Community of Infierno is composed of just over 500 people, 20 percent of whom are Ese'ejas, 21 percent Andean immigrants, 23 percent local immigrants, and 34 percent mestizos. Prior to the initiative, the community was economically poor and marginalized, surviving in large part on subsistence agriculture, the collection and sale of Brazil nuts, and small-scale hunter-gathering. An overdependence on these activities, and a lack of viable alternative livelihood options, was putting unsustainable pressure on local ecosystems and natural resources. As a response to these challenges, the community decided to explore the ecotourism sector as a means of improving local livelihoods.

Posada Amazonas

In partnership with Rainforest Expeditions, the community now operates Posada Amazonas, a 30-bedroom eco-lodge which is located within their ancestral territory, directly adjacent to the 1.9 million acre Tambopata National Reserve. The lodge was built using traditional indigenous architectural designs and materials – locally harvested wood, palm fronds, and wild cane – as well as modern, low-impact technology.

The close proximity of the lodge to the Tambopata National Reserve provides guests with access to some of the Amazon's most biologically diverse rainforest. Ecosystems ranging from Andean highlands to some of the last remaining intact cloud forests of the Amazon basin contain over 1,300 bird species (including 32 parrot species), 200 mammal species, 90 frog species, 1,200 butterfly species, and 10,000 species of higher plants.

The overall goal of Posada Amazonas activities is protecting biodiversity through low-impact, educational tourist activities. The community offers a four-day program of non-motorized raft visits to the natural habitats of unique endemic species. Guests at the lodge are further offered rainforest hikes, ethno-botanical walks, night walks and information sessions, and farm visits. A 35-metre

scaffolding tower provides easy canopy access for visitors hoping to view toucans, parrots, macaws and mixed species flocks. In a nearby oxbow lake, a small population of giant otters – as well as caiman, Hoatzin, and Horned Screemers – can be observed. Several hides provide birdwatchers with viewing opportunities for Mealy, Yellow-headed and Blue-headed Parrots, and Dusky-headed Parakeets.

The eco-lodge operates with a principle of prioritizing local materials and products, as long as they are of equal quality and price to comparable items on the market. Beyond those directly employed by the eco-lodge, this gives the broader community a chance to benefit from a new economy and market for their products. This same principle has guided the gradual introduction of ethno-tourism into the programs offered to visiting tourists, whereby local culture is both a source of pride and revenue generation.

The emphasis on benefit-sharing and joint-decision making between a private sector partner and the local community is a noteworthy innovation. These efforts have also been complemented by community capacity building measure in business development and management skills. As ownership of Posada Amazonas is transferred to the community after a 20 year period, all operational and managerial positions will be occupied by community members themselves.

The Ese'jeja community's decision to set aside their lands for conservation, taken many years before the start of this initiative, permits the joint venture. Partnership between private enterprise and the local community - along with the sharing of benefits and decision-making between the two - is the project's key attribute of success. The agreement of benefit-sharing is productive for both parties. It is apparent that the community is capable of moving rapidly to take a greater share of the managerial responsibility. This is a pioneering effort in indigenous leadership in biodiversity conservation in Peru. The end result is a management approach effective in the protection of a significant area rich in biodiversity.

Impacts



BIODIVERSITY IMPACTS

Conservation activities in the communal reserve have had considerable impacts on the region's biodiversity and ecosystems, protecting some of the richest habitats of unique flora and fauna on the planet. Community guides that take tourists on excursions into the reserve have reported anecdotally the return of several species, including macaws, hummingbirds, kingfishers, herons, toucans, turtles, and monkeys. Increased populations of Capybara (*Hydrochoerus hydrochaeris*), Harpy eagles (*Harpia harpyja*) and giant otters (*Pteronura brasiliensis*) have also been noted, all of which are threatened or endangered.

Partnerships for monitoring; conservation incentives

In the process of establishing the primary components of the ecotourism project, the Native Community of Infierno also simultaneously developed key alliances with several non-governmental organizations and research partners that were actively involved in biodiversity conservation efforts in the region. Partnerships in biodiversity monitoring and evaluation have been particularly valuable, allowing the community to gather data on species within the communal area and, importantly, those that are exceptionally vulnerable or threatened. Through these partnerships, the community has also been able to effectively and accurately determine the impact of tourism activities on these species and to use this data to inform priority conservation strategies, land management plans, and independent monitoring.

One such example has been collaboration with Conservation International, with whose support the community has set up a wildlife monitoring program where community members serve as wildlife monitors and gather data. Conservation International then analyzes the data and reports back to the community so that they can make informed decisions on where they should most effectively focus their collective conservation energy. Other monitoring

programs have been incentive-based, such as the "Harpy Eagle Nest Watching Program." In this program, if a community member locates an active Harpy eagle nest on their parcel of land, they receive a monetary award – a percentage based on the number of tourists that have the opportunity to view it. The 'finder's fee' is paid until the eagle chick fledges, a period that can last up to nine months. A consultative process on the rules governing this program was undertaken in a collective, participatory manner, thereby ensuring community involvement and ownership.

Another species that has benefited from the community's conservation efforts and collective management are the giant otters that inhabit nearby oxbow lakes. Previously, this resident population of endangered otters were hunted for their pelts, or targeted by local fishermen because of their negative influence on fishing returns. After construction of the lodge, community by-laws were established to regulate fishing and access rights for the oxbow lakes that form the otter habitats. In co-operation with the Frankfurt Zoological Society, the community was able to establish and implement codes of conduct that protect reproductive sites. One such code of conduct involved delineation of a 'special reserve zone,' which comprises half of the oxbow lake area and is off limits to tourists and community members alike.

SOCIOECONOMIC IMPACTS

Just as the numbers of tourists visiting the Madre de Dios region have steadily increased, so have the visitors to the Posada Amazonas lodge. The number of visitors grew from 2,000 in 1998 to over 7,000 in 2007. Posada Amazonas now accounts for a staggering 20 percent of the tourist market within the region. Because the Ese'jea community has been involved in the development and operation of the lodge from the very beginning, this success has directly translated to substantially improved local incomes and livelihoods.

Today, most of the wage labour positions at the lodge are filled by local community members, providing needed jobs, employment

opportunities and a capacity building platform. From 1997 to 2007, the 60 percent of net profits that went to the community – Rainforest Expeditions taking the other 40 percent – amounted to an impressive USD 662,225 (Stronza 2010). This number does not include all of the community benefits and additional returns from the sale of local construction materials, handicrafts, or agricultural goods. It is not an exaggeration to state that the eco-lodge has both substantially and positively reshaped the local economy.

Contributions to local wellbeing

A percentage of revenues from the eco-lodge have been invested into social support projects such as an emergency health fund, elderly care and support services, and loans and scholarships for youth wishing to pursue higher education. The remaining profits are split among the 150 families in the community, and have increased from USD 150 per household in 2001 to USD 805 in 2007 (Stronza 2007, 2010). Guides are among the biggest earners from the project, with an additional income of USD 195,894 between 1997 and 2007 (Stronza 2007, 2010). This discrepancy in earning can at least partially be attributed to the extra tips garnered in these positions. The Posada Amazonas guides have developed a world-class reputation for tracking wildlife and birds, and are often handsomely rewarded by visitors for their expertise. Remaining revenues from ecotourism activities are invested into community infrastructure projects, such as a secondary school, a computer facility, road access, and potable water well and tank system.

The response by the community to the ecotourism initiative has been favourable, perhaps even beyond expectations. While the Ese'eja were no strangers to tourism, as tour boats have passed up and down the adjacent river for the past 25 years, the intention from the outset was that the introduction of ecotourism to the community be gradual. At the beginning of the project, each community member received an induction course on ecotourism and the kinds of training that would be available at the lodge. As a consequence, community members project a feeling of ownership in and pride over the ecotourism activities.

Looking to extend spillover success from Posada Amazonas, the community has formed committees to work on strategic plans for sectors such as agriculture, education, healthcare, handicrafts, and cultural rejuvenation. In 2000, rather than simply dividing ecotourism profits between members, the community had the foresight to set aside 25 percent for investment in education. This initial investment enabled the education committee to construct the only rural secondary school in the Puerto Maldonado area. The handicrafts committee has also made significant strides with relatively modest amounts of investment by the community. They have resurrected traditional handicraft techniques, built a workshop, organized trainings, and have drafted a marketing strategy. To improve coordination and communication between the various committees, and to limit misunderstandings or any competition that might develop for resources or investment, the community has appointed two liaison personnel.



Strategies for sustainability

The revenue potential of the Posada Amazonas is, however, starting to reach its peak, both in terms of employment and profit maximizations. Multiplication of the project's positive economic impacts is becoming a challenge. The architects of the initiative have attempted to solve this problem by connecting families in the community with alternate employment opportunities, outside the tourism sector, or at least peripherally associated. The more successful of these efforts have included an ethno-botanical center, a port, a handicraft workshop, a fruit processing center and a fish farm. The ethno-botanical center, for example, creates annual revenues of USD 12,000 from its medical services alone.

While the initiative has had an overall positive impact on the community, it has also come with its share of challenges. Primary among these have been the income disparities it has created within the community. Particularly when the project first began, income disparities and differences in employment access surfaced racial tensions between mestizos and the Ese'ija (Stronza 2008). Higher incomes in some segments of the local population have also resulted in concerns about shift in emphasis from local culture to a more consumerist lifestyle (Stronza 2010). So too, new income has been spent in some cases on chainsaws and rifles, which are associated with logging and poaching (Stronza 2007).

POLICY IMPACTS

The Ese'ija community has had a direct impact on policy making in the region, not least of which through its lobbying efforts against construction of the Interoceanic Highway just forty kilometers outside of Infierno. The highway is being designed to connect the Atlantic Ocean in Brazil to the Pacific Ocean in Peru, a proposal which will drastically alter the geographical face of Madre de Dios. The community has adopted a two-pronged response: first, it has lobbied the Peruvian government for recognition of community needs in the proposed area of development; and, second, it has established strong partnerships with surrounding communities in order to mobilize a united front.

In the first instance, and as one example, documented by Stronza (2010), the Ese'ija community applied in 2003 for a concession to manage lands surrounding their oxbow lake, with its resident giant otter population. While the concession was granted, the government also awarded a fishing permit for the same area to a private sector interest. The objectives of conservation and commercial fishing were not compatible, so one of the concessions would need to be revoked. The political negotiations that followed required support from a number of different organizations, including the Peruvian Society for Environmental Law. It took the community several months and thousands of dollars to convince the government to revoke the fishing concession. Their persistence, however, paid off and the joint venture was granted an ecotourism concession that covered an extra area of 2,000 hectares.

On the community partnership and mobilization front, the Ese'ija community has worked with Rainforest Expeditions to create alliances with other communities upriver from the lodge, and to ensure the

land between Posada Amazonas and the Tambopata National Reserve remains protected. All four communities in the area – which constitutes the entire population between Infierno and the border of Tambopata National Reserve – have been contacted. The community intends to align all communities and secure their support for the conservation of the rainforest corridor that connects them and create a functional buffer zone to the Interoceanic Highway.



ABOVE: Community members constructing eco-lodge

BELOW: The interior of the lodge today

Source: Posada Amazonas

Sustainability and Replication



SUSTAINABILITY

In terms of financial sustainability, Posada Amazonas is in a strong position with an occupancy rate of 57 percent, 20 percent above the break-even point. The lodge provides a 35 percent rate of return on investment, and there is room for growth in tourism-related trades such as handicrafts, food production, and retail. The initiative is also on very strong footing with regards to organizational and social sustainability. Where possible, staff members are drawn directly from the community. Individual employees receive ongoing training, and the larger community is being prepared to assume full control of the lodge by 2016.

Community members are trained in basic lodge staff positions, including housekeeping, dining services, cooking, guiding, boat driving and general lodge maintenance. Positions at the lodge can only be held for a maximum of two years per individual, ensuring access on a rotating basis to employment and to the transfer of knowledge and skills throughout the community. The community has developed a train-the-trainers program, whereby staff in each position train other community members in their respective tasks and responsibilities. Training and capacity building have also been offered in accounting, administration and logistics, and executive positions (marketing and management).

One specific capacity building activity that will contribute to the initiative's overall sustainability is a cooperation agreement reached with a Bolivian university to create a two-year leadership program. Between 20 and 30 community members will be supported to benefit from a curriculum specifically designed to foster community leadership. The program will include workshops on accounting, gender studies, human resources management and more. Specialists will be enlisted to deliver training on communal law, land management, sustainable agriculture, and basic computer literacy. From this program, it is hoped that a number community leaders will emerge with the capacity and commitment to navigate the organizational challenges confronting the community, and to harness sustainable development opportunities.

REPLICATION

To foster the replication of good practices in environmental conservation and low-impact tourism, Rainforest Expeditions worked with anthropologist Amanda Stronza to establish (has established) an information exchange called Trueque Amazónico. The initiative brings together tour operators and indigenous communities from three ecotourism projects of comparable success in the Amazonian regions of Bolivia, Ecuador, and Peru (Stronza and Gordillo 2008). These groups met for the first time in 2003 to pool information and draw up a list of best practices that could usefully be shared with other communities committed to similar issues and facing similar challenges. Community-to-community visits were supported, which has enabled the sharing of knowledge and best practice nationally and internationally (Stronza 2005).



PARTNERS

The primary partner of the Ese'ija Community is Rainforest Expeditions, a Peruvian for-profit company operating four ecolodges in Peru. In addition to Posada Amazonas, it runs and operates two ecolodges in the southeastern Amazonian Tambopata Candamo Reserved Zone (Refugio Amazonas and Tambopata Research Center) and another in the Andes near Huascaran National Park. Conservation International and the Wildlife Conservation Society have been crucial to the success of this joint venture. The MacArthur Foundation, World Bank, and American Bird Conservancy have made contributions to make the lodge possible.

- Wildlife Conservation Society
- Conservation International (supported the community through a jointly developed wildlife monitoring program, which tracks the impact of tourism and hunting on the biodiversity within the community's boundaries).
- MacArthur Foundation (USD 50,000 grant).
- Critical Ecosystem Partnership Fund (supported the Trueque Amazónico initiative)
- Peru-Canada Bilateral Fund (Initial loan of USD 350,000 for building the lodge and performing the initial training)
- Peruvian Society for Environmental Law (supported the initiative during the application process for the Ecotourism Concession)
- Interamerican Foundation
- Frankfurt Zoological Society (capacity building measures through the implementation of Codes of Conduct regarding the viewing of the endangered giant otters in the oxbow lakes that are managed by the initiative)
- American Bird Conservancy
- World Bank (USD 50,000 grant in 2001 for the construction of an artisans' workshop and training of community artisans.)



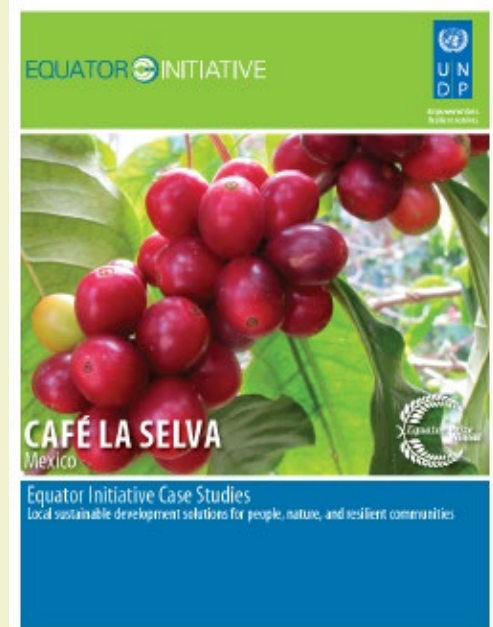
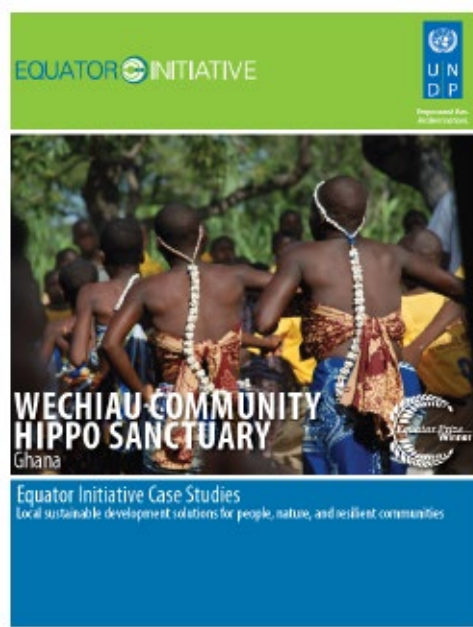
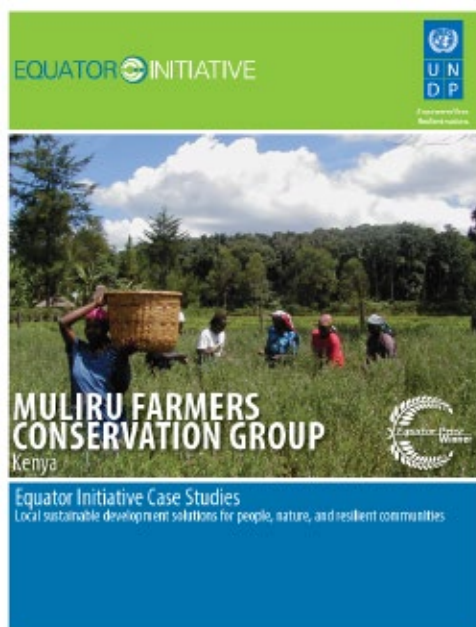
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