



2009 ANNUAL REPORT

**SOCIAL PROJECTS AND PROGRAMS EXECUTED BY DIRECT
MANAGEMENT AND ADMINISTERED AT THE REQUEST OF
COMPANIES OF TRAFIGURA GROUP IN PERU**

January 2010



A year of more integration with our surrounding communities, prioritizing the future of children.

**SUMMARY REPORT OF THE ACTIVITIES
DEVELOPED BY
FUNDACIÓN INTEGRACIÓN COMUNITARIA - FIC**

January – December 2009

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UNDER DIRECT MANAGEMENT OF
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CHAPTER I: PROJECTS AND PROGRAMS UNDER DIRECT MANAGEMENT OF FIC.

1. SPECIAL RECONSTRUCTION PROJECT OF HOUSES AFFECTED BY THE EARTHQUAKE

In 2009, the first 116 houses of the Reconstruction Program for the Victims of the Earthquake of August 15, 2007 were built and delivered, located in the villages and provinces that were damaged by the earthquake.

VILLAGE	PROVINCE	HOUSES
EL SALVADOR	CHINCHA	28
LA QUEBRADA	CAÑETE	55
SAN LUIS	CAÑETE	24
LAURA CALLER	CAÑETE	9
		116

With the delivery of those houses, the same number of families who had lost their houses of adobe was benefited, providing them with houses of concrete, of the best quality that could be obtained, anti-seismically designed and with excellent living conditions that were largely better than those of their lost houses. In all of them a basic module of 3 rooms has been built, with 40 m² of roofed area, on a plot of land owned by them, with a variable area between 90 and 160 m². The cost of the construction is valued in US\$ 7,500, which has been financed with the grant from FIC and with the housing subsidies granted by the Government –Family Housing Bonus (BFH, for its initials in Spanish) and Bond 6000–.



The houses were designed in such a way that they can be expanded, horizontally and/or vertically, with the effort of the beneficiary families.

The delivery of the houses was a community event, especially for the beneficiaries, because it meant receiving their major family estate. This act took place with the corresponding ceremonies held on May 28 and July 4, in Chíncha and Cañete respectively; one of them was presided by the Minister of Housing and the other by the President of *Mivivienda* Fund, the entity that manages governmental subsidies through its *Techo Propio* Program.



The 116 houses were part of a lot of 200 houses –projects, under the terminology of Techo Propio Program– that were submitted and registered with Mivivienda Fund by mid 2008, of which, as provided by said Fund, unfortunately 84 of them were postponed for 2010.

The Reconstruction Program, which purpose is the building of up to 1,007 houses, was affected again practically during the entire 2009 by Government decisions through Mivivienda Fund. First, with the suspension of Bond 6000, one of the Financing sources (US\$ 2,093 per house), ceasing to issue and deliver the Certificates of Victim –a document that made the subsidy feasible– and, later ceasing to disburse said Bonds. Currently, 21 Bonds 6000 (US\$ 43,953) for the 116 houses mentioned are still pending disbursement to us.

Another delaying factor in the execution of the Reconstruction Project was when Techo Propio Program announced that it would not received project financed with resources from Bond 6000, which almost comprises all the other projects that we are executing.

Later, the situation worsened when by mid June Techo Propio Program closed its counters and announced that it would not register any project until further notice, since it no longer had funds to disburse the BFH. Certainly, to date it has not opened its counters again, indicating that it will do it on the third week of January 2010. In the last quarter, only the projects called *Vivienda Nueva* began to receive files to process them.

The projects contemplated by our Reconstruction Program include three projects with a total number of 250 houses, under the modality of *Vivienda Nueva*, two of which, Hualcará and San Martin de Barranquito could continue the steps until their completion.

By the end of November, civil works were restarted and the building of the first 20 houses in Hualcará Reconstruction Project, located in Cañete, commenced, comprising the building of 150 houses. Said complex of houses, due to the size of the project, is estimated to be completed in June 2010.



Reconstruction of Houses in Hualcará

2. TAJATA LAGOON IRRIGATION PROJECT: IRRIGATION WATER AND HYDRAULIC ENERGY FOR UMASI, APONGO, RACCAYA, TACA AND CANARIA, IN THE PROVINCE OF FAJARDO

Upon the assumption of the administration of the mine by Catalina Huanca and the identification of the main limitations of the surrounding communities, it was considered as a priority to develop a project that would enable to dam mainly rainwater, to obtain water resources during dry season, considering its poor availability for agriculture, which are basically collected in rainy seasons for their subsistence agriculture.

In order to achieve this goal, since the beginning of year 2007 FIC has been promoting and boosting the development of the Project “Construction of the Comprehensive Irrigation System, Tajata Lagoon: Umasi, Apongo, Raccaya, Taca and Canaria”, financing and monitoring the assessments of Profile, Technical Feasibility and Technical File.



Tajata Lagoon

The Project, already approved at Pre-Feasibility level, consists in storing rainwater in Tajata Lagoon, which, surrounded by hills, would enable to store about 4,200,000 m³ in rainy seasons, through the construction of a 12-m high dam in one of the ends of the lagoon, through which, in rainy season, water is mostly lost into the sea.

During this year, the Feasibility assessments and the Technical File have been being prepared by a team of professionals, under the direction of Eng. Felipe Carhuallanqui, external consultant of the FAO, based on the approved guidelines of the Profile of the Project “Construction of a Comprehensive Irrigation System, Tajata Lagoon: Umasi, Apongo, Raccaya, Taca and Canaria” which was approved in October 2008, advancing to the Pre-feasibility level by the competent body of the National Public Investment System – SNIP.



The water stored is pumped 95 m to reach the top and from that site it is taken following the contour lines, through channels, to supply the beneficiary communities: Umasi, Apongo, Raccaya, Taca and Canaria, with a course of 52 Km approximately. In its course, 3 falls would be used, of which the first 2 are part of the irrigation project and would be used to generate hydraulic energy, for 445 kv to meet the needs of the pumping system.



Tajata Lagoon

The execution of the Technical Feasibility assessments has been seriously delayed by the intervention of certain people, related to a specific political group that impede any development project that benefits the communities, under the false message of defense of the environment and ecosystem. A group of “advisors” of the community of Umasi is being influencing the radical positions in the community leaders, and that is why it is the only one that has not stated yet its acceptance of the project feasibility, which is a requirement for the submission of the Feasibility Assessment to the SNIP. Therefore, on-site data collection works: Geology, Geotechnics and Topography in the same zone of Tajata Lagoon, were carried out only in the second semester of the year.

In the third quarter on-site detailed works were carried out, as part of the Feasibility Assessment, including the detailed topographic surveying along the 52 Km that the channels will have, diamond drilling works in the zone where the dam will be located, as well as geology works in all the points through which the water lines will pass, based on which the structure specialist will make the design of the structures required.

Whereas the consultants have been preparing the different specialized issues comprised in the Feasibility Assessment and the Technical File, FIC has been participating in several work and coordination meetings with the Regional Government of Ayacucho, the Ministry of Agriculture, the

Agricultural Federation of Ayacucho and the District Mayor of Canaria, the district where Tajata Lagoon is located.

Due to the reluctance of the community authorities to approve the project, actions are being intensified to raise awareness in the community of UMASI. A part of these actions consisted in working with the Center of Analysis and Resolution of Disputes of the Pontifical Catholic University of Peru-PUCP, so that maintaining its prestige and well-known neutrality, it can work with all the stakeholders involved in the project. Particularly, the community itself, its leaders, the group of residents in Lima, its “advisors”, other beneficiary communities, the District Mayor of Canaria, the Province Mayor of Fajardo, among others, in order to achieve, with the direct participation of the Regional Government, the conditions that will enable the authorities and the community of UMASI to see, from another point of view, the advantages of the feasibility and execution of the Irrigation Project.

Awareness-raising in the Community of Umasi together with representatives of the FADA, FAO, the Regional Government, the Community of Canaria, Taca, Raccaya and Apongo



3. HEALTH CAMPAIGNS IN THE COMMUNITIES SURROUNDING CATALINA HUANCA AND IN VILLAGES OF PAMPA GALERAS.

One of the deficiencies found in the communities surrounding Catalina Huanca has been the lack of professional medical care, since the health centers operate only with auxiliary staff or nurses, with the limitations that it implies. Therefore, in the second semester of 2007 the Foundation started travelling Health Campaigns, and for that purpose a medical staff was implemented, and since then Health Campaigns have been developed for periods of 10 consecutive days per month, initially comprising general medicine attention and then dental attention, which was later complemented with nutritional monitoring for children up to 6 years old. The Health Campaigns are developed in 17 communities and villages of the districts of Canaria, Apongo, Morccolla Grande, Morccolla Chico, Asquipata, and in the Zone of Pampa Galeras.



Medical and dental service

In the Health Campaigns, from January through December, 6,837 attentions to the population of the communities served have been provided, of which 5,013 have been medical attentions, 1,012 dental attentions and 812 attentions to children between 0 and 6 years old, under the nutrition program that is part of the Mining Program of Solidarity with the People-PMSP-Catalina Huanca. Below is the detail of the attentions:

**SUMMARY OF ATTENTIONS
JAN - DECEMBER 2009**

COMMUNITIES	ATTENTIONS		NUTRITIONAL PROG	TOTAL ATTENTIONS
	MEDICAL	DENTAL	CHILDREN 0 - 6	
MORCOLLA CHICO	84	12	17	113
ASQUIPATA	231	62	20	313
APONGO	748	133	123	1004
RACCAYA	620	98	139	857
UYUCCASA	446	51	52	549
CHUMBILLA	154	79	13	246
SANTA ROSA DE SACLLANI	98	146	12	256
TACA	859	89	151	1099
CAYHUA	323	16	42	381
HUANCAPAMPA	393	52	69	514
UMASI	135	16	20	171
CHALHUAMAYO	93	13	9	115
PUTACCASA	213	52	48	313
TURPO	114	47	20	181
ILLAPATA	174	43	30	247
PEDREGAL	276	80	42	398
CANARIA	52	23	5	80
TOTAL	5 013	1 012	812	6 837

The Pathologies found during the campaigns are mostly related to respiratory diseases (Colds, Pharyngitis, Bronchitis), Gastrointestinal diseases (Acute gastritis, Chronic Gastritis, Intestinal Parasitosis, Musculoskeletal Diseases: Lumbagos and Dorsal Lumbago and Conjunctivitis in the elderly. As regards dental attentions, most of the cases have involved very advanced caries in different degrees, as a consequence of radicular infections and acute pulpitis in children, and in adults the cases have involved broken, cracked and infected teeth for extraction. A continuous follow-up is being carried out in children for the care and prevention of caries.

As regards the Nutritional Program, in each attention the control of vital functions (Triage) was conducted in order to establish whether the children are within the normal parameters or in a certain degree of malnutrition. As a supplement of nutritional valuation of children under 6 years old, they have been provided with micronutrients, according to the follow-up control cards. In the cases of children identified as children with weight and/or size risk, we have worked with their mothers at their homes in the proper way to recover them from the nutritional deficiencies detected.



Nutritional Monitoring



The agreement with *Asociación Vida Perú-ONG Vida* (Vida Peru Association – Vida NGO) is a part of this program, and through it the Foundation receives medicines and medical equipment that said Association obtains from grantors of the United States of America through its head office VIDA USA. Said agreement has remained effective during this financial year, which has enabled to receive a significant volume of medicines and medical implements, which have been immediately sent to Catalina Huanca for the health campaigns, sponsored by the Foundation in 17 communities of the zone.



4. PROMOTION OF PROFITABLE CROPS: TARE AND OTHER CROPS

The communities surrounding Catalina Huanca where FIC intervenes are located at different altitudinal belts, from 2,650 m.a.s.l. (Cayhua) to 4300 m.a.s.l. (Pedregal). These communities with similar characteristics are engaged in the agricultural and livestock activity (35 % in agriculture for self-consumption and 65 % in livestock), mostly for self-consumption and a smaller part as “economic reserve” to solve urgent problems. Precisely, the application of this program consists in incorporating profitable crops, such as Tare and other crops, to obtain a higher income that will enable them to expand their economic reserve in order to improve their life conditions and quality.



Inspecting Gardens and Small Farms and Gardens



Protection of seedlings with harvest stubbles
Maintenance of plantations

FIC in this year has established on definitive field 30,298 seedlings (Tare, peach, elder, eucalyptus and avocado tree), installed in 40.4 Hectares in 6 communities of the direct surrounding of Catalina Huanca, benefiting 268 families. In addition, in compliance with the agreement entered into with the Province Municipality of Cangallo, in the first quarter 30,000 seedlings of Tare have been provided and installed on definitive field for their establishment in the scope of the province of Cangallo, covering 18 Communities located in 5 districts, directly benefiting 424 families. In brief, in 2009, 60,298 seedlings have been installed, benefiting 692 families.



The breakdown of the crops installed on definitive field, in the campaign started by the end of last year and completed in April 2009, is as follows:

Communities surrounding Catalina Huanca:

Tare	15,059 seedlings
Peach	6,231 seedlings
Avocado	400 seedlings
Eucalyptus	2,508 seedlings
Elder	1,400 seedlings
Pine	4,700 seedlings

In the Province of Cangallo:

Tare	30,000 seedlings
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Grand Total 60,298 seedlings

Currently, plantation maintenance works are being performed (irrigation, pest and disease control, care of damages caused by animals); in order to ensure their normal growth and development.



Avocado to be grafted.



Peach to be grafted

2009-2010 CAMPAIGN SCHEDULE. "PRODUCTION OF SEEDLINGS"

En In the campaign started in November 2009 and which will extend until April of next year, 48,000 seedlings have been produced through 10 nurseries that are under the conduction of 10 organized groups under sponsorships of FIC, in the 6 communities within the direct scope of the operations of Catalina Huanca.

Production of seedlings by varieties

Tare	40,000 seedlings
Pine	5,000 seedlings
Fruit trees	500 seedlings
Seticio	2,500 seedlings

Grand total 48,000 seedlings



The 48,000 seedlings of fruit-forest species have been produced in nurseries, adequately built and protected by 07 groups of organized women in the Communities of Apongo, Canaria, Taca and Huancapampa, 02 groups of interest in Apongo and Cayhua and 01 group in the pick and hoe program, in Raccaya.



COMMUNITY	SPECIES	QUANTITY	REMARKS
TACA	TARE	10 500	01 (Group of organized women)
HUANCAPAMPA	TARE	7 500	01 (Group of organized women)
	SETICIO	2 500	01 (Group of organized women)
CANARIA	TARE	11 000	02 (Groups of organized women)
APONGO	TARE	11 000	02 (Groups of organized women)
	FRUIT TREES	200	Community
	PINE	4 000	Association
RACCAYA	PINE	1 000	Community
CAYHUA	AVOCADO	300	01 Group of interest
		48 000	

5. SUPPORT IN SPECIFIC PROGRAMS FOR VILLAGES OF PAMPAS GALERAS.

Given the conditions of abandonment and poverty of the inhabitants of the hamlet located in the zone of Pampa Galeras, at more than 4,250 m.a.s.l., communities that are along the route that joins Nazca-Taca and gives access to Catalina Huanca mine, FIC has been providing social support to the general population of those communities since year 2008. Initially, expanding the coverage of the travelling Health Campaigns to the villages of Chaluamayo, Putaccasa, Turpo, Taccracocha, Illipata and El Pedregal, providing professional medical attention, then dental attentions and since this year, also nutritional monitoring of all children between 0 and 6 years old.

The presence of FIC in this zone has expanded, improving the infrastructure of “EL PEDREGAL” single-teacher school, where 1 complete building has been built, with 2 halls (dinning hall and director’s office) and reconditioning a second building, also with 2 halls (accommodation for boys and girls, respectively), for the operation of the boarding school, which supplement the 2 buildings for the education of children. This school has the corresponding implementation of basic utilities: water, 03 toilets and a room where FIC has installed an improved kitchen, built by one of the yachachi of the *Sierra Productiva* program.

During the last week of classes, the boarding school has started operations as a “pilot”, in order to assess the impacts on students and potential difficulties.

The operation test of the boarding school has worked adequately thanks to the support of FIC, Parents and teachers. As a conclusion, it can be stated that the approval of the community and the parents, who at the beginning were reluctant, has been achieved.

For the school term of next year 2010, the students of said school can use the boarding school, under an alternation program for their school education. This system will provide them with ensured balanced food and protection of children, especially those who live in remote zones, who walk 4 hours in average, considering round trips, and therefore exposed to adverse weather factors (rain and whiteout). To date, an Agreement among FIC, UGEL Lucanas-entity of the Education Sector and the Municipality of LUCANAS has been entered into to obtain the resolution of reconversion to boarding school, with a 15 X 15 alternation system.

Another specific project is the construction of 02 greenhouses (5:00 m wide and 15 m long) Total: 150 m², where vegetables are being produced at 4,250 m.a.s.l., with a pressurized “drip” irrigation system.

These nurseries, where FIC has supplied all the materials and components, have been built through community work, with the contribution of unskilled labor by the population.

The construction and implementation of the 2 greenhouses has also included the technical assistance and training provided by FIC, for the



Puna zone (4250 m.a.s.l.) where only ichu grows



management and maintenance of the greenhouse, of the irrigation system and of the production of vegetables, and other horticultural species: onion, cabbage, celery, beetroot, coriander, radish, artichoke, tomato and also other fruit species.



In addition, a sprinkler irrigation system has been installed, for the irrigation in the access-road, to prevent dust contamination caused by the permanent transit of vehicles.



6. SIERRA PRODUCTIVA PROGRAM

Knowing about the experiences of the *Instituto de Alternativas Agrarias I.A.A.*, through the “*Sierra Productiva*” program in Cusco, FIC organized in November 2008 an internship with Authorities and leader producers from 5 Communities surrounding CH, for the communities of the basin of Jabón Mayo, in Cusco. As a result of this internship and the arrangements made by FIC, on January 30, 2009 an agreement with the IAA was signed to make the participation of 3 Yachachics feasible. In April, one Yachachic was incorporated for Taca and Canaria; the second one for Raccaya and Apongo and the third one for the community of Umasi.

The “Yachachic” taught agricultural and livestock technologies to the students of secondary of the Schools of the 5 communities above mentioned and in the afternoons they implemented practical extension programs at family level, allowing for the transfer of technology from successful experiences, validated in other communities of Cusco, which will enable them to expand and improve agricultural and livestock production, increase their economic income and gradually achieve better life conditions and quality.

From the 18 existing technologies already validated in Cusco and other provinces, the development of the following activities has commenced:

6.1 REAL ESTATE MANAGEMENT OF FAMILY PLOTS OF LAND.

Developed in each School in the last 3 grades of secondary and in groups

Canaria : School and 3 organized groups
 Taca : School and 2 organized groups
 Huancapampa : School and 2 organized groups
 Apongo : School and 2 organized groups
 Raccaya : School and families of interest.
 Umasi : School and families of interest



Real estate management provides them with a vision and mission as family, community, District and Region.

6.2 FOOD PRODUCTS TRANSFORMATION PROCESSES.

Using the available resources of agricultural species (cereals, pulses, tubers and vegetables) in each intervention community, food products have been prepared and processed; including pumpkin, mashua and oca jams and potato, carrot and corn flour has been prepared for pastry, cakes and panettone. From cow fresh milk cheese and yogurt of different flavors have been prepared. In addition, taking advantage of the existence of unused looms, they have been repaired and training in loom weaving has started.

Presentation of jams, pastry, yogurt by Groups of organized women



6.3 INSTALLATION OF IRRIGATION SYSTEMS.

Prior to the installation of technified irrigation systems, simplified irrigation profiles have been prepared, detailing basic data and materials to be used.



Construction of handcrafted sprinklers

6.4 PRACTICES FOR THE CONSTRUCTION OF RAM PUMPS.

The theoretical part of the installation of the ram pump, a device to pump water and then implement a pressurized sprinkler irrigation system has been developed in Schools and groups of interest.



Installation of drip irrigation system (Canaria)

6.5 OPEN FIXED GARDENS.

With each group, the planting of vegetables has been carried out, which were then distributed among their members. This activity is being rapidly spread through our proposal of "Family Chacrahuertos" that is being encouraged by FIC, to achieve food security that tends to reduce malnutrition in children.



Gardens with sprinkler irrigation system.

6.6 IMPROVED KITCHENS.

The construction of improved kitchens has started at the level of families that have stated their interest, mainly with the women that have been working in the production of seedlings. Each prototype depends on the materials contributed by the beneficiary (without oven or with oven), having built 25 improved kitchens in Umasi, Taca, Apongo, Raccaya, el Pedregal and Canaria. By the end of the year, it was found that the construction of improved kitchens is becoming massive, with a good result, since it not only allows for fuel saving in the order of 35%, but also prevents respiratory infections caused by the presence of smoke.



6.7 "SODIC SYSTEM" WATER PURIFICATION.

Another technology developed is water purification under sun exposure, prior painting with black paint of the containers and/or calamine in order to concentrate sun rays. After sun exposure for 12 hours, water is purified (free of pathogens) and therefore it is drinkable, as evidenced through laboratory tests.



6.8 PRODUCTION OF HYDROPONIC FORAGE.

Another line developed is the production of hydroponic forage as food mainly for small animals (guinea pigs). This activity has been implemented at family level and in San Esteban de Apongo School.



6.9 PRODUCTION OF BIOL (foliar fertilizer for crops).

In order to supplement micronutrients needed by plants for a good growth and development, farmers are working in the production of foliar fertilizer to apply it later using sprinklers to the forage of any crop and/or forage.



7. PREPARATION OF PROFILES OF PRODUCTIVE PROJECTS

Since Catalina Huanca started its operations in April 2005 and the Foundation started by the end of 2006 its social promotion activities in the communities surrounding the mine, an opportunity has been generated for the communities to find alternatives to overcome the economic stagnation in which they were and gradually achieve their development, through the application of productive and sustainable activities.

To achieve this goal, FIC, in coordination with the leaders of the communities and organized groups of inhabitants and enterprising families, is being supporting their initiatives, covering the basic assessments for the preparation of the Profile and/or Technical File of productive projects, in order to determine whether they are feasible and sustainable or not.

Among the sponsored assessments, the assessment of the “Channeling for water diversion to Huata” Was completed; the assessment for the “Construction of sheds for sheep” in Canaria; for the Construction and operation of “Sheds for guinea pigs” in Apongo, among others.

8. PROGRAM: RESTOCK OF VICUNAS

In coordination with the Community of Canaria, the District Municipality of Canaria, FIC and the Regional Government of Ayacucho, the fencing of approximately 8 Km was completed in the area where the flock of vicunas has been sheltered, of a little more than 200 heads, and it is planned to restock it under an agreement with other communities, to transfer under certain commercial conditions, a flock of a similar quantity, under the restock process that is being contemplated by this program.



In this stage, the support provided by FIC consisted in the contribution of 800 logs for the fencing of the area of protection of vicunas, whereas the Regional Government contributed with 160 mesh rolls that covered the 8 km, and the Municipality of Canaria supplemented them with another lot of 800 logs, and the Farming Community contributed with labor, through community work, for the installation of the meshes and logs, every 5 m.

For the safety in the protection of the vicunas, FIC, in addition to the contributions mentioned, is bearing the expenses for 01 forester, and for that purpose the community has repaired the camp that was abandoned and deteriorated.

9. SPRING DAMMING PROJECT

Based on the Master Agreement entered into with the Ministry of Agriculture-MINAG, in March 2009, a specific agreement was entered into with the Sub-Sectorial Irrigation Program-PSIA, so that through its consultants it will prepare and assess the Technical Files and Simplified Profiles of technified irrigation projects, for the communities of Umasi, Apongo, Raccaya, Taca and Canaria.

In that sense, FIC entered into consulting contracts with specialists in small irrigations and in the design of Technified Irrigation Systems, who after contacting the authorities of each community and identifying the streams and/or springs to be dammed, conducted and completed in June the assessments of simplified Profile and technical files. Said files were submitted to the Investment Planning Office-OPI of the Agriculture sector, having approved and declared their feasibility in November of this year.

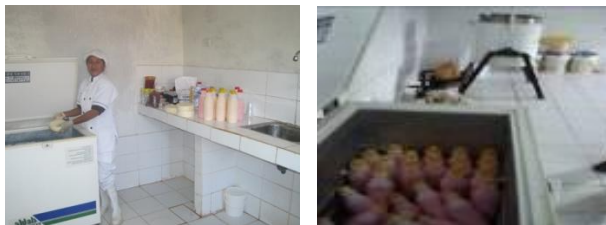
Therefore, the 5 projects can be executed next year in each of the 5 communities.



10. OTHER PRODUCTIVE PROJECTS

In this line of work, FIC has been directly supporting groups of producers of the different communities, assisting them in the development of small productive activities, in their formalization and in the start-up of productive operations. These activities involve the following developments:

1 Plant of dairy byproducts (yogurt and cheese) has been started up and expended in the Community of Taca. Infrastructure. To date, the plant is not operated by human factor (the enterprising producer moved to Arequipa).



04 sheds for guinea pigs have been started up and expanded in the communities of Taca and Apongo, to which technical assistance and training in the management, feeding and commercialization (slaughter and presentation) of guinea pigs is also being provided. Currently, initial deliveries to the company Wagconser SAC and restaurants of Taca and Raccaya are being made.



a) The apicultural unit has been started up for the production of bee honey in Apongo with 50 cores; the obtaining the Sanitary Registration is contemplated.



b) A Producer Association has been established for the growing of pines and elder in Putaccapampana, high zone of Apongo. The group includes only men.



c) The implementation of “*Chacra-huertos*” (Small Farms and Gardens) continues at the level of groups of families, supporting the issue of food assurance. This program consists in installing 2 types of vegetables of perennial and semi-perennial species, supplementing them with species of short vegetative period, between 1 and 5 months. To date, the gardens have been installed in 130 families as a process of permanent growth with exotic and native vegetables.

11. INSTITUTIONAL SUPPORT PROGRAMS

A series of activities have been developed under this program, attending specific requirements of the leaders of certain communities, for tree planting in certain zones, installation of special irrigation systems, supporting training programs and sponsoring the publicity of programs intended to promote the existing potential in the region.

11.1 Supporting Programs for the prevention and management of social impacts.

Tree planting in the surroundings of Pacuni-Raccaya

In this zone, tree planting of the surroundings started with 2 species (ficus) as exotic shrubby species and tumbo (native climbing species). Tumbo has been directed so that it can climb the meshing, providing natural protection.



Installation of Sprinkler Irrigation System – Pacuni Zone

For the operation of the irrigation system in this zone, the construction of a loading chamber was previously executed, using geomembrane, then a trench was opened along 1 Km in the road that goes from Pacuni to Raccaya. In addition, HDPE 4” and 2” pipes were installed, hydraulic tests were run and finally the installation of 53 emerging sprinklers, sprinkler protection and covering of pipes was carried out, being this system operational.



Training in plot irrigation techniques in Asquipata.

At the request of the farming community of Asquipata, two theoretical-practical training programs were organized, on pressurized sprinkler irrigation and gravity irrigation improved through the “use of siphons” and another related to the sanitation of small animals, carried out in said community.



11.2 Sponsorship of Radio Programs.

Publicity programs in Sucre Radio Station continued, which covers the scope of the communities surrounding Catalina Huanca and in Atlantis Radio Station, which covers the capital city of the region of Ayacucho, in this case connecting the Radio and TV stations of Atlantis, promoting the generation of productive activities and private investment in Ayacucho.

11.3 Other Activities performed.

The support to the Mining Program of Solidarity with the People-PMSP, Condestable, has continued, with technical-administrative support for the management of the Nutritional Program that is being developed in favor of pregnant mothers and children between 0 and 5 years old. The nutrition program developed by PMSP-Condestable comprises the permanent monitoring of size and weight, medical control, supply of nutritious lunch boxes at mid-morning and lunch for the children of the different Schools, between 3 and 5 years old (Pronoei), comprised in this program; in addition, provision of several training Workshops, especially for pregnant mothers and with small children, on issues related to hygiene, child health, food care, among others.



CHAPTER II: PROJECTS DEVELOPED UNDER AN AGREEMENT WITH COMPANIES OF THE GROUP

IN COORDINATION WITH CATALINA HUANCA

1. Promotion and development activities for Productive Projects.

- Production and maintenance of 40,000 tare seedlings in the communities of Huancapampa, Taca, Canaria and Apongo.



- Process of production of forest fruit seedlings.



- Production of “grafted” avocado seedlings



- Construction and implementation of sheds for guinea pigs at commercial level - employment generation; Communities of Taca and Apongo.



- Installation of pastures (alfalfa) and production of green alfalfa forage and hydroponic forage.



- Breeding of bees – production of honey



2. Execution of infrastructure works.

- Construction of a multiple-use sports court in the school of Taca and Huancapampa.



- Construction of a Multiple-Use Sports Court, duly equipped and fenced, in the benefit of the entire community of Raccaya.



- Construction of sewage for the improvement of the access roads of the communities.



- Support with Technical supervision in the construction and implementation of 2 Buildings for the boarding school for the students of primary of the School of Pedregal, in Pampa Galeras.



- Support in the technical supervision of the construction of 2 Greenhouses for the production of vegetables in El Pedregal (4300 m.a.s.l.) in Pampa Galeras, for food assurance in said community.



3. Tree Planting in the Surroundings of Pacuni.

Together with the works that are being executed by Catalina Huanca in Pacuni (tailings dam), tree planting of the surroundings is being carried out with 2 species (ficus), as exotic shrubby species introduced and tumbo (native climbing species), the latter has been directed so that it can climb the meshing, providing natural protection to the works that will be executed in the tailings dam.



4. Installation of a sprinkler irrigation system in 1 km of the road, from Pacuni to Chuquiputa river, towards the community of Raccaya.

For the operation of the irrigation system, a loading chamber has been previously built using geomembrane, then a trench was opened and HDPE 4" and 2" pipes were laid; the hydraulic test was run and finally the installation of 53 emerging sprinklers and pipe covering were carried out.



5. Remediation in areas affected by diamond drilling works.

In 120 linear meters of edge of the road to the fence, remediation was carried out using pine seedlings; reforestation made in 3 rows.



6. Training programs to facilitate the access to employment and temporary employment generation.

- Several training workshops have been developed during the year, under the agreement entered into with the State entity SENASA-Ayacucho; in agricultural and livestock sanitation techniques.
- Training workshops and transfer of technology have been also carried out in agricultural, livestock and plot irrigation issues.



7. Social Support Programs.

- In this field, food services have continued being provided in the dining hall for the elderly to 20 indigents of Raccaya.
- The Popular Bus service continued from Monday to Sunday, covering the route of Canaria – Taca – Huancapampa – Uyuccasa – Raccaya and Apongo.
- Kids games were installed in the Pre-kinder School in “Uyuccasa”.



IN COORDINATION WITH MINERA CONDESTABLE

1. Training Program

- The training of community women and young people in the fields of housekeeping, early stimulation, bar tender, barbecue cooks and waiters was mostly developed.
- During this year, the training program has continued in handicrafts, with the organization of several fairs for the sale of products.



2. Health Program

In September a Health Campaign was carried out at district and CCM level.



3. Infrastructure Program

- Construction of a roof for the sport court in CEI 512 in San Marcos de la Aguada.
- Support for the construction of the Retransmission Antenna of Nextel.
- Support in the construction of Sports courts in CC Mala.
- Support continues being provided in the improvement of the streets of the annexes of the cones of the Farming Community of Mala (CCM) and of the district.
- Support continues to be provided in the protection of the slopes of Mala river.
- Support in the remodeling of the Church of CC Mala.
- Construction of the Center of Rapid Aid in San Marcos de la Aguada. With this implementation the Farming Community will benefit from the Security both of San Marcos and its Annexes and the neighbors of the zone of influence of Minera Condestable.



4. Agriculture – Nutrition Program

- The development of pilot agricultural activities of Tare and Grape plantation has continued, in uncultivated and saltpetrous lands, innovating in the area of organic production.
- Plantation of Pine Nut.



5. Education and Environmental Awareness-Raising Program

- We have been supporting Dignidad Nacional School and State School N° 20158 Dos de Mayo with the payment of the internet for the use by students.
- We have supported CC Mala with the pay to the teachers hired in Useful Vacations for 700 children of the community in the different disciplines: volleyball, soccer, swimming, athletics and traditional dances.

6. Temporary Employment Generation Program

- Development of environmental works through groups of community women, on a rotary basis, preferably single mothers.



7. Recreation Program and Miscellaneous Grants.

- Support to the Municipality of Mala in the transport of stone for the overflow of Mala river.
- Contribution to the Municipality of Mala for the cultural activity for its Anniversary with S/2,500
- Contribution of 100 bags of cement and 02 thousand of bricks, for the Municipal Agency of the Village of Bujama Alta.
- Contribution of 200 Bags of Cement and 04 thousand of bricks, for the Board of Users of Mala-Omas Irrigation Sub-District.
- Contribution of 30 Bags of Cement to the parish of San Pedro de Mala.
- Support to the Dignidad Nacional School of the District of Mala, for the X Math Contest and VI Aptitude Contest of the Inter-annexes of Mala.
- Contribution to the Municipality of Mala for the purchase of t-shirts to be worn on the day of Literacy
- Computer equipment with a projector was provided to CC Mala.
- Contribution of 50 hampers to CC Mala in the celebration of the Mother's Day.
- Contribution of S/. 5,000 for the cultural celebration of the Anniversary of CC Mala.

IN COORDINATION WITH CORMIN CALLAO

In coordination with the Human Resources department of Cormin Callao, which has been monitoring the projects and programs developed in its surroundings, as well as to support several schools and other institutions related to its scope of action, the following activities have been carried out.

1. The agreements with Maria Reiche-Puerto Nuevo School; School N° 119 Mi mundo Feliz; Virgen Maria School and Divino Niño Jesús School were renewed, comprising the cleaning of the schools, the maintenance of gardens, support with transportation for school excursions, purchase of education modules for experience workshops, supply of education and recreation materials, among other activities.
2. Direct support to local and Regional Institutions related to social and safety works performed in the zone. These activities include the repair of the roofs of “Luis Negreiros” and “San Pedro” dining halls, change of the wall of the toilet of VL “Ana Adrianzen” for concrete.
3. Implementation of a program of ISO 9001:2000 Quality Management Systems in Kindergarten N° 64 Divino Niño Jesús and in Augusto Cazorla N° 5019 Education Institute. For this purpose, computers and TVs were donated, 2 wireless Internet towers were installed, office furniture, among other equipment were provided.
4. Chepi Project in Maria Reiche School in Puerto Nuevo-Callao.

Prior agreement with the Headmaster of the School, “*Chepi nuestro tiempo de ser libres*” program was designed under the parameters of a toy and leisure library, to provide children between 6 and 12 years old with a space of safe recreation, where playing they can improve their reading comprehension and can be mainly guided in the respect of values, obedience to parents, respect of rules, discipline, honesty, responsibility and loyalty.

Under the recreation plan, the children have visited *Parque de las Leyendas*, *Huaca Puccllana* and, as a cultural activity, 64 children were taken to the show *Hechicero* of *La Tarumba*, accompanied by a group of volunteers which members were entirely young people of Puerto Nuevo. The experience was successful in all aspects. There was not only an excellent performance of the education team and the volunteers; but also children showed once more that under positive stimulus, clear and consistent limits, they are able to respond and show the best of them.

On September 8, the first anniversary of Chepi was celebrated in Maria Reiche School, where children prepared and participated in various performances, including reading, singing, dancing and theater. For the first time



parents were invited to celebrate with their children, who, on their own initiative, made parents and guests participate. 70 children and more than 50 guests attended, including parents, brothers and sisters and other relatives.

The final balance of this activity has been very positive, not only because of the enthusiasm of children in organizing and carrying it out, but most of all for the massive participation of parents, in this first attempt of Chepi to get in our terms parents and children together in a same activity.



Toy and Leisure Library – Chepi Project in Puerto Nuevo – Callao



December 31, 2009