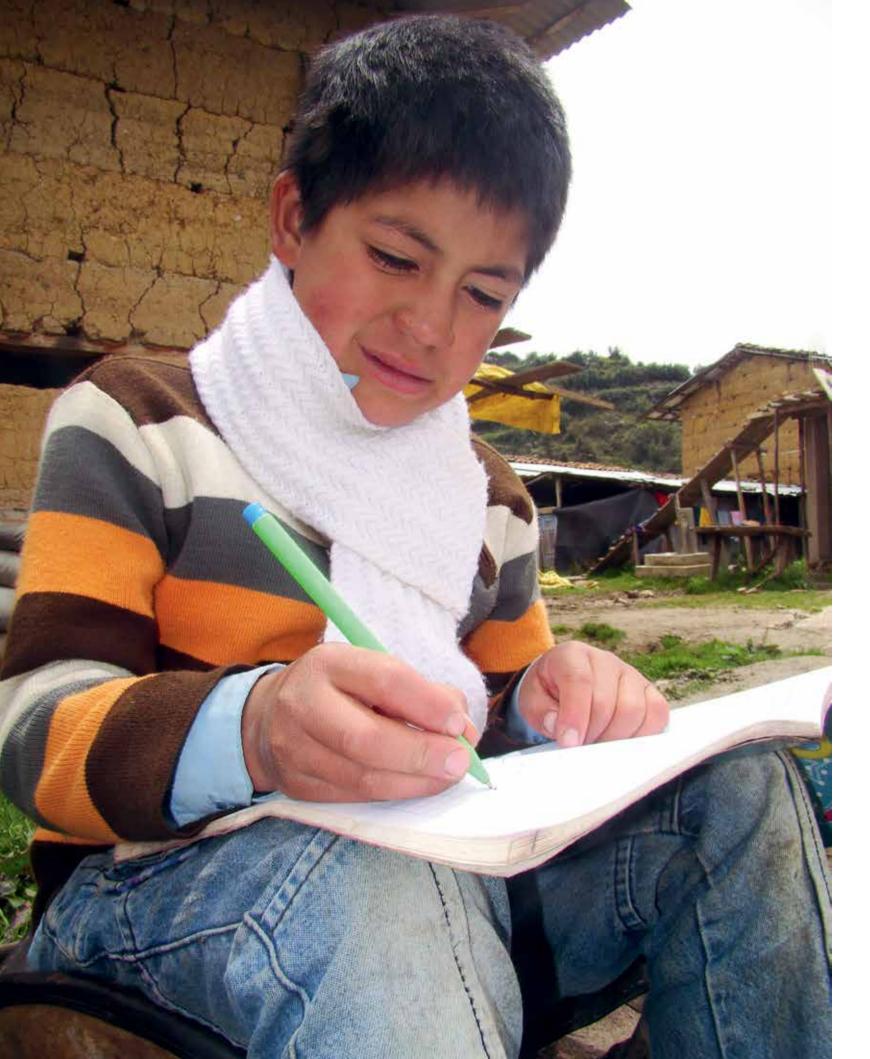






## THE FUTURE IS **MADE TODAY**

ANNUAL MANAGEMENT REPORT 2014



## LETTER TO OUR CITIZENS

## THE CHALLENGE OF EDUCATING THROUGH ENTREPRENEURSHIP

"The entrepreneur in us sees opportunities everywhere we look, but many people see only problems everywhere they look "

MICHAEL GERBER

Cajamarca today continues to present increasingly greater developmental challenges. The current economic context requires a long-term vision, while demanding immediate commitments and actions in order to generate the changes needed to consolidate its growth.

Asociación Los Andes de Cajamarca is a dream come to fruition, a bet on the future of Cajamarca. The region's prospects depend on the conditions, capacities and skills which the new generations can rely on. Our institution has fostered many programs since its creation and continues to do so. Among these, are capacity-building, institutional strengthening, and resource mobilization. However, we believe that education is the mainstay that in the years to come will ensure the prosperity and stability that our community deserves.

However, this challenge, which year by year becomes increasingly complex, requires a new focus aligned with current realities, providing knowledge and also practical application, so that the citizens of the future may fashion Cajamarca's progress in the best possible way. For this reason, the wager is on an entrepreneurial vision.

Thus, our effort has wanted to focus on how to educate that entrepreneurial talent, aware that in the face of unemployment and crisis, entrepreneurship is the best path toward economic growth, allowing for the generation of our own resources, setting up new businesses, and achieving a quality of life that meets one's expectations.

Nevertheless, this effort requires the joint and integrated effort of all stakeholders in order to gain substantial results for society. These alliances have allowed for the creation of suitable spaces and conditions to foster training and job programs, promoting and facilitating young entrepreneurships. This represents a fresh and new focus for Cajamarca's youth.

In 2014 we have had the satisfaction of our work being recognized by various institutions. This recognition drives us to stay the course, reassuring us that it is the right one. Thus, today, as we did 11 years ago, we continue to bet on Cajamarca and we feel grateful that we are not alone in this effort – we have the support of our organization along with that of institutions and entities that renew their commitment to our host community, which beyond the problems it faces, has countless opportunities to move forward and regain its leadership in the growth of the north of our country.

#### Raúl Benavides Ganoza

Chairman of the Board of Directors of Asociación Los Andes de Cajamarca

#### Violeta Vigo Vargas

Executive Director Asociación Los Andes de Cajamarca



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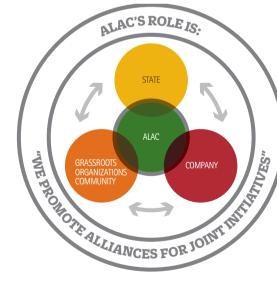
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This is an organization that emerges as part of Yanacocha's social responsibility program for promoting sustainable human development in the region. It seeks to consolidate development alternatives in sectors with competitive and market potential, in Cajamarca's rural and urban areas.

# ASOCIACIÓN LOS ANDES DE CAJAMARCA

Strategically, ALAC seeks alliances with all the actors in development who can boost the activities it fosters. In other words, it facilitates processes, programs, and projects, as well as mobilizing resources and talents for the benefit of the Cajamarca region.

### DIAGRAM 1. ROLE OF ASOCIACIÓN LOS ANDES DE CAJAMARCA (ALAC)



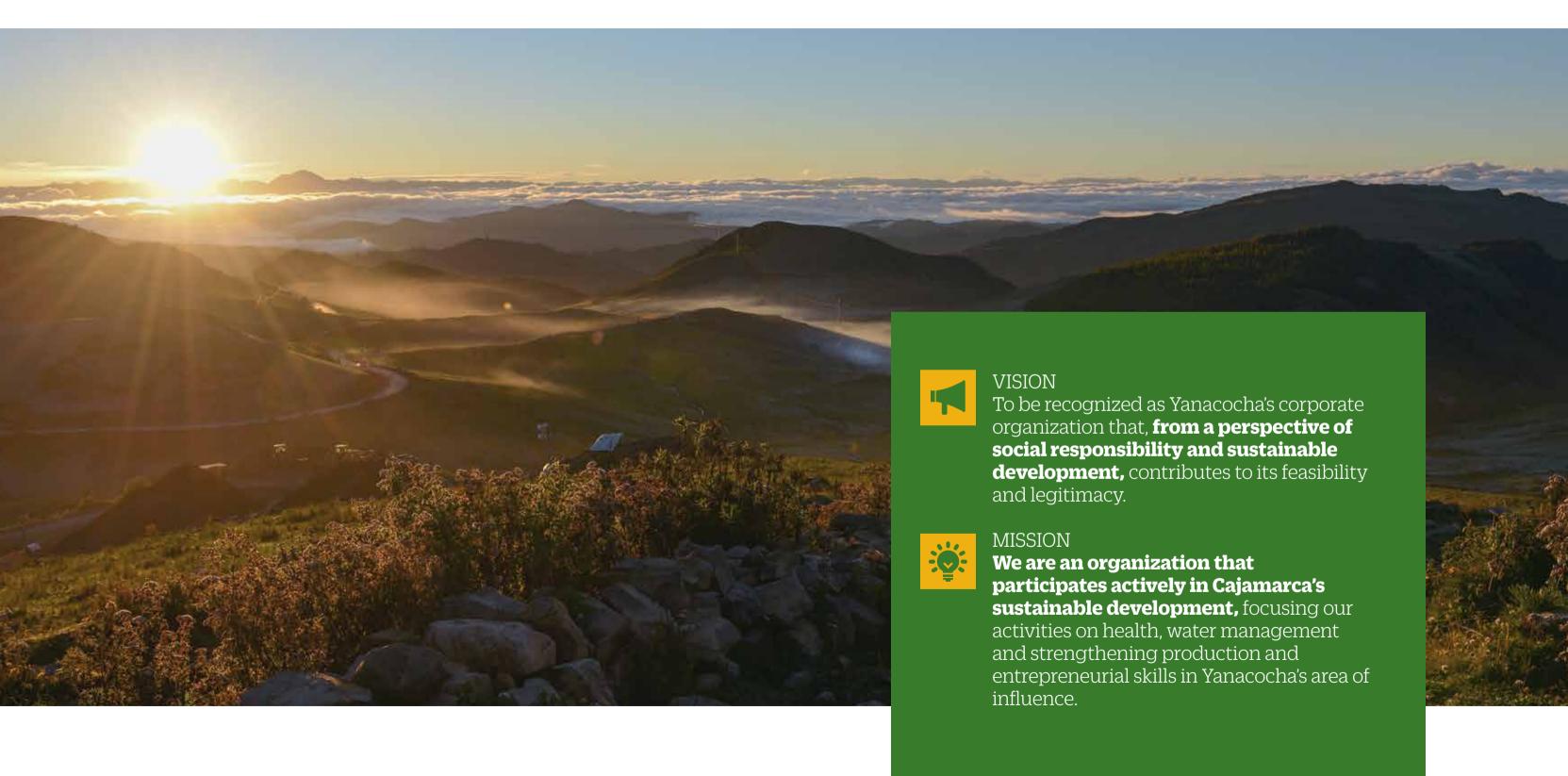
#### ASSOCIATES' ASSEMBLY

This is the foremost body of the Association. Among other things, it defines the general policies and strategies of the Association during the fiscal year, it designates the members of the Board of Directors and establishes oversight and control mechanisms. It is made up of representatives of Newmont and Buenaventura.

#### **BOARD OF DIRECTORS**

Its mission is to make sure Asociación Los Andes de Cajamarca's goals are achieved, by approving strategies, plans and annual budgets, and channeling funds and resources for project execution.

- Raúl Benavides Ganoza Chairman
- Javier Velarde Zapater Deputy Chairman
- Óscar Silva Rojas Director
- Raymi Beltrán Burns Director
- Augusto Zingq Pinillos Director
- Homero Bazán Zurita Director
- Carlos Amat y León Chávez Director



#### ADVISORY BOARD

Its objective is to advise the Board of Directors and the executive director on matters related to Cajamarca's sustainable human development and to the image the association projects to society.

- Rosario Almenara Díaz
- José Rodríguez Villa
- Hernando Guerra García Campos
- Nicole Bernex Weiss
- Baltazar Caravedo Molinari
- Ciro Arribasplata Bazán
- Ricardo Marsano Obando
- Fredy Regalado Vásquez

#### COMMITMENTS

- Agility
- Boldness and expediency
- Assertive communication
- Celebrate success
- Leadership
- Cooperation
- Empowerment



Members of the Board of Directors in a regular session

#### STRATEGIC OBJECTIVES

Activities focus on capacity-building and mobilization of resources by means of complementary objectives.

#### Education

Contributing to improve quality and equity in education with an entrepreneurial vision.

## Development of Productive and Entrepreneurial Skills

Contributing to the development of entrepreneurial skills with social responsibility in sectors that have competitive market potential, both in rural and urban settings in Cajamarca.

#### Water and Infrastructure for Development.

Fostering investment in social infrastructure with an emphasis on water, with both public and private resources.

## Communications and Stakeholder Engagement

Generating favorable conditions for stakeholder engagement to ensure the feasibility, legitimacy and sustainability of social programs.

#### **Institutional Management**

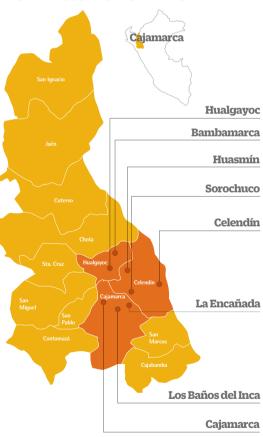
Managing the resources of ALAC and the projects entrusted by third parties in an efficient and efficacious manner.

#### **SCOPE OF ACTIVITIES**

The development programs and projects are executed throughout the region of Cajamarca, especially in the provinces of Cajamrca, Celendin and Hualgayoc, with emphasis on the following districts:

- Cajamarca
- Los Baños del Inca
- La Encañada
- Sorochuco
- HuasmínCelendín
- Bambamarca

#### **DIAGRAM 2. SCOPE OF ACTIVITIES**





Fluid and transparent communications with our stakeholders create favorable conditions for achieving the feasibility, legitimacy and sustainability of the **projects.** For this reason, in 2014 we executed a number of changes in order to respond to our principal stakeholders in a more direct manner.

ALAC plays an active role in the dialogue spaces of all the institutions devoted to development. During 2014 we took part in 6 institutional networks with an emphasis on education, entrepreneurism and water, whose purpose was to build social capital on the basis of an agenda for the regional development of Cajamarca.

- Mesa de Concertación de Lucha contra la Pobreza-Región de Cajamarca (Consensus Forum for the Struggle against Poverty-Cajamarca Region).
- Comité Técnico del Proyecto PROTURISMO (Technical Committee of the PROTURISMO Project).
- Comité Regional de Exportación Regional-CEREX Cajamarca (Regional Export Committee CEREX Cajamarca).
- Comisión Técnica Regional del Proceso de ZEE-OT (Regional Technical Commission of the ZEE-OT Process).
- Casa Cultural de Agua-Cajamarca (Water

- Culture House-Cajamarca).
- Red de Instituciones Promotoras del Consumo de Agua Segura (Network of Institutions Promoting Consumption of Safe Drinking Water).

Along the same lines, we took part in the structuring of the Regional Governance Agreement AGR Cajamarca 2015 to 2018. In this forum, we have been a part of the steering committee since 2006, together with 13 civil society organizations. The Agreement is an important orientation tool for public and private investment that focuses on 12 key indicators for social, economic, environmental and institutional development for Cajamarca.

Finally, engagement of the rural and urban population of Cajamarca has been developed by means of coordination meetings, launching of projects, training courses, workshops, field visits, and inaugurations, among other activities.



Social event with representatives of institutions and organized civil society for the drafting of the Diagnostic of the Urban Development Plan for Cajamarca





All the public and private institutions that work for the development of our region and our country share a task: to contribute to quality and equity in education. After all, education is in the end the most valuable legacy that we can leave to the coming generations, a powerful tool that has repercussions on future citizens.

From this perspective, since 2005 we have promoted flagship projects in Cajamarca. Some of them concluded their activities in 2014, while others began in that same year. Among the projects that concluded are: Program for the Formation of Young Entrepreneurs in Cajamarca (PFJEC), executed over the course of 8 years, the Integrated Schools Networks Project (PRIE), that finalized in 6 of the 7 networks that were implemented since 2008, and the Alliance for Education Project.

Pursuant to our institutional policy, in the case of the former projects we requested an external evaluation to validate the results achieved and identify lessons learned. Thanks to these evaluations and the monitoring of the Education sector have helped to formulate new initiatives, among which we can mention: Entrepreneurial Education (executed by the Organization of Ibero-American States for Education, Science and Culture-OEI), Promotion of Reading Comprehension for Children in Cajamarca, and Education for Life in Sorochuco; the latter two

projects contribute to strengthen the actions implemented by PRIE.

#### **INTEGRATED SCHOOLS NETWORK (PRIE)**

This project originated to address a number of the educational challenges facing primary school students in rural areas. Within its strategy for achieving the sustainability of the project, it involved principals, teachers, parents, students and the local authorities of the communities taking part. In 2014 the project came to a close with the beginning of the final external evaluation for the first and second stages of the project. In addition, closing and self-evaluation meetings were held with the teachers from the participating networks. Moreover, a final event took place with the participation of the project's technical team, made up of members of IPAE and ExE.

Pursuant to production efforts for schoolbooks for the children of Cajamarca who took part in the PRIE, the book "Stories and Legends of Cajamarca" was published.



"Stories and Legends of Cajamarca". Creative boys and girls from rural schools



Students from the Cruzpampa school happy to attend their first day of class

IPAE internal evaluation data (Final report "Integrated Schools Network Project" August 2008-December

Aggregate data 2008–2013. Aggregate data 2008–2013.

#### **ALLIANCE FOR EDUCATION**

Implementation of component II (Management of decentralized education) The Alliance was able to integrate the efforts of public and private institutions in order to contribute to the regional educational objectives in pursuit of educational equity. This joint task is a powerful vehicle that allows the achievement of critical goals. The activities of the Alliance finalized with the delivery of 4 customer service modules for the Local Educational Management Units (UGEL) of Chota, Jaen, Cajamarca and the Regional Educational Directorate (DRE) of Cajamarca. Personnel were trained to provide customer service as well as continuous improvement processes, and 4 plans were implemented for improving processing and monitoring of documentation, with a workshop aimed at collecting relevant information that can contribute to the monitoring system.

#### **EMERGENCY EDUCATION PROJECT (EEP)**

The process for improving education also entails providing the suitable infrastructure and the most suitable educational material. In this

respect, the EEP was aimed at delivering this material to the students, teachers and regular elementary schools in Cajamarca, Celendin and Bambamarca, as well as contributing to their basic infrastructure.

In 2014, in order to improve the conditions of the elementary schools within the scope of ALAC's activities, delivery was made of educational kits (within the framework of the National Campaign called A Good Beginning for the School Year) and school libraries (within the framework of the Campaign for Fundamental Learning Skills and the School We Want).

100 elementary schools took part in the Good Beginning for the School Year Campaign. ALAC provided support in several key aspects, mainly in communications by means of spots on the radio, theatre presentations that refer to registration and the first day of classes (Huambocancha, Porcón Alto, San Nicolás and Cruzpampa), as well as written material. In addition, educational kits were delivered to 3,015 students, thanks to the joint efforts of ALAC and Yanacocha employees.



Children taking part in the reading hour at the Yerba Buena Chica School







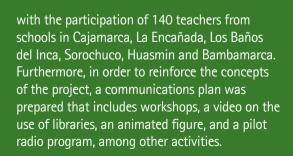
The library management workshop has been very interesting, because we are formulating new strategies to apply in our schools. In my case, I'm going to begin implementing my library, using effective management to create the right setting and have children read the texts, making this an attractive place for them. In this way we can promote reading and an interest in books, in addition to applying their teachings"

**TEACHER AURORA HUARIPATA,** from La Extrema school, **La Encañada Library Workshop-Promoting Reading** 

## PROMOTING READING COMPREHENSION AMONG CHILDREN IN CALAMARCA

This initiative was launched in 2014 in order to increase comprehension capacity and fostering reading among children, an objective directly related to the above-mentioned projects. It is addressed to the students of 83 primary schools within Yanacocha's area of influence. At the initial stage, 13 schools were monitored together with a specialist from the Cajamarca DRE with the aim of verifying the use of the school libraries and the educational materials delivered by the EEP and donated by Children International.

Subsequently, together with the Cajamarca DRE, the "Strategies for reading in my land using my School Library" workshop was developed

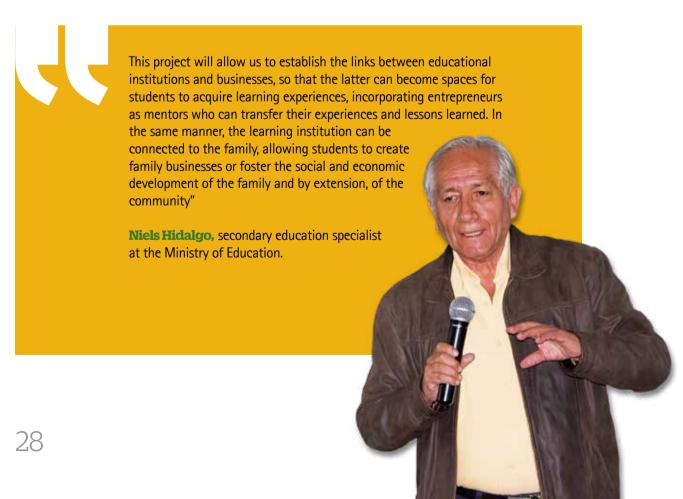


## ENTREPRENEURIAL EDUCATION IN CAJAMARCA

The Training Program for Young Entrepreneurs in Cajamarca was a tipping point for our work involving entrepreneurial education. This initiative, after 8 years' work, has managed to promote an entrepreneurial and personal improvement attitude among thousands of young Cajamarcans, This in turn has given them a greater understanding, allowing them to perform better in the entrepreneurial and job markets. The new initiative seeks to channel the teachings from this flagship project and to continue to develop the entrepreneurial capacities of 7,040 students from the 10th, 11th and 12th grades in 43 schools. It is executed by the Organization of Ibero-American States (OEI) with the participation of the Ministry of Education, the Regional Directorate of Education, and the Local Management Units (UGEL) of Cajamarca and Celendin.

Having acquired the experience and defined the objectives, in coordination with the OEI and the Ministry of Education, focus groups aimed at teachers, former students, entrepreneurs and specialists from the DRE Cajamarca were created in 2014. These studies produced relevant information for proposing and designing the project, which was subsequently presented to teachers from the participating schools.

Furthermore, two very successful events were organized: the "Entrepreneurial Culture, a challenge at School" conference that was organized together with OEI and the Ministry of Education, aimed at 145 teachers from secondary schools. The second one was the business breakfast "How businesspeople can strengthen Entrepreneurial Education", aimed at the business community and organizations that work in the subject of entrepreneurship; this event had 50 attendees.







Students who won the scholarship for the international Entrepreneurs' Forum next to representatives of ALAC and Yanacocha

 $^{\rm 1}\,$  Data from the Young Entrepreneurs' Training Program 2005–2013.

#### **EDUCATION FOR LIFE**

One of the bases for a proper educational performance centers on social skills.

This project proposes to develop these skills among primary school students in 9 schools in the Sorochuco district.

As a first step toward the execution of the project, socialization and coordination skills will be developed with Yanacocha's Social Responsibility team. An induction workshop in these aspects was carried out for the project coordinators, along with socialization visits to the participating schools, as can be seen in the following chart

#### DIAGRAM 3. LOCATION AND TARGET POPULATION OF THE PROJECT

School	: 82512		School	: 821093
Community	: Chugurmayo		Community	: Cruzpampa
Teachers	: 4		Teachers	: 3
N° of children	: 65		N° of children	: 86
School	: 82518		School	: 82513
Community	: El Tingo		Community	: Tablacucho
Teachers	: 2		Teachers	: 2
N° of children	: 38		N° of children	: 22
School	: CEBGPC		School	: 82426
Community	: Agua Blanca		Community	: Rejopampa
Teachers	: 2		Teachers	: 4
N° of children	: 27		N° of children	: 42
School Community Teachers N° of children	: 821095 : Chorrera : 5 : 65		School Community Teachers N° of children	: 821343 : El Faro* : 1
School Community Teachers N° of children	: CEBGPC : Uñigán Pululo : 3 : 29	Tot	Teachers	N° of children

<sup>\*</sup> El Faro school was part of the focus group, but did not take part in the project

After this initial phase, there were workshops on communications, mathematics, management of emotions and self-esteem for teachers, 7 workshops for parents on treatment of children,

and workshops on the use of educational materials. In addition, teachers did internships at Festi Aprendizaje (Learning Festival), organized by the PRIE.



This is a very ambitious project and will definitely contribute to improving our learning, both for teachers and students. It will put us on an equal footing with science and technology. For this reason I salute your efforts and congratulate you for this private sector initiative that is a strategic ally in our region's education"

**ELMER CRUZADO CERCADO,** principal of School 82151 of the village of Chanta Alta **TIC for Learning.** 

#### TIC FOR LEARNING

The technologies for information and communications present an extraordinary learning tool; on the other hand, access to safe drinking water and suitable sanitation create a favorable environment for the schools. This project intends the 7 rural schools to enjoy the advantages of the TIC and have safe drinking water and suitable sanitation. It is being executed by the Organization of Ibero-American States (OEI) and has the Cajamarca Regional Government and Ministry of Education (MINEDU) as strategic partners.

In order to put technology within the reach of the schools, during 2014 VSAT (satellitebased Internet) remote stations were installed and technical training was provided on basic aspects of their use and maintenance. In addition, workshops were organized for parents, teachers, principals and DRE and UGEL officials. Furthermore, during the fourth quarter work was begun to improve water and sanitation services. Based on a previous diagnostic, it is estimated that works will conclude in the first quarter of 2015.

#### TABLE 1. SCOPE OF THE PROJECT

N°	District	Village	School N°	Teachers	N° of children
1	Cajamarca	Puruay Alto	82105	4	67
2	Encañada	Santiago de Chanta Alta	82151	6	110
3	Los Baños del Inca	Barrojo / Barrojo Tres Tingos	821423	3	40
4	Los Baños del Inca	Rumipampa	821186	2	24
5	Cajamarca	La Ramada	82126	7	94
6	Cajamarca	Plan manzanas	82967	5	72
7	Cajamarca	Llushcapampa Baja	82111	4	50
	Total			31	457

## TREASURES OF CAJAMARCA EXHIBITION: THE TRAIL OF ANTONIO RAIMONDI

This initiative originated in order to integrate with the educational proposal described above, complement education and enhance the learning and social value of these educational exhibitions. This project had a great impact on Cajamarca thanks to its high display standards and museum design.

It was aimed at students and teachers from 35 primary and secondary schools, as well as universities and teaching institutes in the city of Cajamarca. It was executed by the Antonio Raimondi Educational Association.

Additionally, the exhibition was a setting for a collage and comic strip contest among the schools. It ended with a closing ceremony and the award of prizes.



Schoolchildren watching the exhibition at the site of the local Cultural Directorate – Cajamarca



## CAJAMARCA SCHOLARSHIPS PROGRAM (PROBECA)

With the aim of strengthening the human capital that will increase competitiveness and sustainable development in the region, PROBECA promotes cooperative relations with local, national and international universities, as well as with specialized institutions such as the Fulbright Foundation and the French Embassy in order to offer scholarships for master's degrees at prestigious universities in the country and abroad. PROBECA has been fostered by ALAC with funds from the Cajamarca Solidarity Mining Program (PMSC) Yanacocha Contribution.

Furthermore, the program disseminates information on scholarships being offered by foundations, embassies and universities through its web page www.becascajamarca.com, and since 2014, by means of a new medium, its quarterly information bulletin.

Among the 2014 activities, the Employment Plan (PIL) is one of the most important. It seeks to promote the hiring by a local, regional or national organization headquartered in Cajamarca of the scholarship winners who have completed their Master's degree, thus ensuring that their talents contribute to the region's sustainable development.

With regard to the scholarships, in 2014, the tenth Fulbright Scholarship for a Master's degree in the United States was awarded to law graduate David Gallardo, an attorney of the Public Prosecutor's Office in Cajamarca.

Finally, the high performance of the scholarship recipients is the best measure to judge the impact of the project. Yelson Vasquez was admitted to the Pantheon–Sorbonne University in France in the specialty of Consensus Engineering. Deicy Sanchez was invited to work on a scientific–technical evaluation of the remediation and closure plans of the Colquirrumi, Coimolache and La Zanja projects

in her capacity as a member of the department of Earth Resources and Environmental Sciences of Montana State University. Hector Cuadros, who studies at Vilanova University, was selected for a trip to Denmark to learn about issues related to water management and power generation, while Dael Davila, who has a scholarship to Loyola University, carried out his internship at ALAC and contributed to formulate Cajamarca's Urban Development Plan.



Rocio Carrión being awarded her Master's degree in Food Sciences from Washington State University



#### PROBECA

5 scholarship winners (4 with the Fulbright Foundation and 1 with the agreement with the French Embassy) have obtained their Master's degrees in U.S. and French universities in specialties such as Public Policies and Finance, Food Technology and Project Management.

#### JOINT ORGANIZATION OF THE 2nd DIPLOMA IN INTEGRATED WATER MANAGEMENT IN THE UPPER ANDES REGION

This diploma promotes the creation of a new generation of water and environmental managers. The objective sought by means of this training is to develop management skills, broaden the knowledge of the institutional framework, and improve the technical abilities of those entrusted with managing such an important resource. Thus it is hoped that this will result in efficient, quality services that will conform to legislation, as well as being sustainable and transparent. It was executed thanks to an agreement between the Graduate School of the National University

of Cajamarca and ALAC. In addition, it had the decisive support of Yanacocha's Environmental Affairs department. It was aimed at Cajamarcan professionals from public and private institutions linked to water management. In addition

It involved the participation of 52 Cajamarcan professionals working for the Regional Government, the Provincial Municipality, AAA, OEFA, SENAMHI, NGOs, and mining companies, among others. The diploma course concluded at the end of 2014, with the objectives established being met.



Graduation ceremony for the 2nd Diploma in Integrated Water Management in the Upper Andes Region



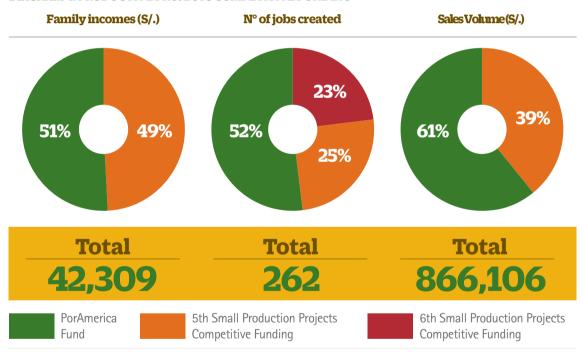


Strengthening the entrepreneurial capacities of local producers and entrepreneurs implies improving organizational, productive and marketing aspects, generating a positive impact on quality job creation and an increase in earnings.

Moreover, it allows the dissemination of the concepts of social responsibility among Cajamarca businesses and grassroots organizations.

This line of activity is the one that has generated the greatest number of lessons learned thanks to its institutional track record. Thus, new projects have a more solid base, allowing them to take better decisions. For example, projects such as the Local Suppliers, Promotion of Cultivation of Aromatic Herbs, Competitive Production of Andean Products, Center for Economic Services, Competitive Potato Production and Savings and Credit Unions (UNICA), among others have demonstrated the need for conducting market studies and business plans, establishing linkages and commercial contacts, all critical for the success and sustainability of these activities.







Grassroots organizations and entrepreneurs took part in the "Cajamarca Produces" Business Round Tab

 S/. 21,777 and 136 jobs generated by the PorAmerica Competitive Fund.

## COMPETITIVE FUNDING AIMED AT GRASSROOTS ORGANIZATIONS

Competitive funding has the mission of generating income and boosting employment, based on energizing economic activities. This activity has been developed since 2009 by means of the SUMA project, which is coexecuted with the CODESPA Foundation. However, since 2013, ALAC acquired direct

control over the management of the fund. At the close of 2014, 8 small production projects, corresponding to the fifth and sixth competitive processes were being executed.

In the following chart are shown the projects under execution of the fifth competitive process. The formal conclusion is expected between February and March 2015.

TABLE 2. SMALL PRODUCTION PROJECTS 5th COMPETITIVE PROCESS

N°	Association	Project	Family Income (S/.)	N° of jobs created	Sales volume (S./)
1	Productores Agropecuarios de la Crianza de Animales Menores La Flor de Coñor (Flor de Coñor Small Animal Husbandry Association)	Improvement of family income for the Flor de Coñor small animal husbandry association	3,388	17	57,600
2	Productores Nuevo Horizonte Ganadero del caserío de San Antonio de Nuevo Horizonte Ganadero (Pachachaca Breeders of the San Antonio de Nuevo Horizonte village)	Strengthening production and entrepreneurial skills in the value chain for milk production in the San Antonio de Pachachaca village, La Encañada district	6,124	28	171,461
3	Joyeros San Eloy de Cajamarca (San Eloy de Cajamarca Jewelers)	Organizational strengthening for the San Eloy de Cajamarca jewelers' association by means of creating management skills, enhanced production and linkage to markets.	8,520	10	85,200
4	UNICA El Progreso	Entrepreneurial and productive strengthening of the businesswomen of Tres Molinos	2,500	10	25,000
	Total		20,532	65	339,261

Projects under execution of the sixth competitive process that have begun activities during the second fortnight of September 2014 are described below:

TABLE 3. SMALL PRODUCTION PROJECTS 6th COMPETITIVE PROCESS

N°	Association	Project	N° of jobs created
1	Shinshilpampa	Honey and pollen production for sale to dynamic markets	15
2	Ganaderos Los Heraldos (Los Heraldos Animal Husbandry)	Organizational and prouctive strengthening of Los Heraldos Association, devoted to guinea pig breeding	12
3	Agroindustrial La Shacsha	Improvement of milk and dairy products production of La Shacsa Agroindustrial	23
4	UNICA Virgen del Rosario	Planting, improvement and marketing of organic quinoa in Santa Úrsula	11
	Total		61



Businesswomen of El Progreso Industrial Textile Association

#### PORAMERICA COMPETIVE FUND

This RedEAmerica (Network of Corporate Foundations in Latin America) initiative allows the co-financing of production projects proposed by grassroots organizations. The fund is possible thanks to the joint efforts of ALAC and IDB/FOMIN.

The projects presented in the following chart have completed the proposed activities and are at the closure stage.

TABLE 4. PRODUCTION PROJECTS IMPLEMENTED

N°	Association	Project	Family Income (S/.)	N° of jobs created	Sales volume (S/.)
1	Asociación de Productores Orgánicos de Frutas y Hortalizas Zelendín- APROFHZEL (Zelendín- APROFHZEL Organic Fruit and Vegetables Producers' Association)	Increased income by means of automated irrigation systems for the cultivation of Cape gooseberry (Physalis peruviana) in the province of Celendin	2,958	17	50,310
2	Central de Productores Agropecuarios de Huanico-CEPROAGRO Huanico (Huanico- CEPROAGRO Huanico Agricultural Producers' Association)	Development and strengthening of production, marketing and processing skills for yellow and colored potatoes in Huanico, Namora Cajamarca to exploit new market opportunities	6,015	46	276,708
3	Ronderos los Perolitos	Capacity building and commercial linkages for the Los Perolitos "ronderos" association, making their dairy products more competitive	7,485	14	104,802
4	Asociación Civil de artesanos del centro artesanal textil La Collpa, para el desarrollo sostenible (La Collpa artisanal textile center artisans' association for sustainable development)	Strengthening of production and entrepreneurial capacities for textile artisans' grassroots organizations in the Porcon tourist circuit	369	43	15,825
5	Ruway Maki	Organizational strengthening of Cajamarca's Ruway Maki jewelers' association with an emphasis on the sustainable development of the jewelry sector in the Cajamarca region	4,950	16	79,200
	Total		21,777	136	526,845

#### KORIWASI JEWELRY CITE

The Koriwasi CITE has managed to integrate mining activities with an ancestral tradition; moreover, it has modernized jewelry production in Cajamarca, creating new jobs. The CITE is both a teaching center and a space for creativity where quality Cajamarcan jewelry is produced and marketed.

During 2014, this flagship project has trained 139 people in the various specialty courses: design, worktable or basic jewelry, and 12 people in gem carving (which took place for the first time).

In addition, the CITE took part in several fairs and events, at the local level, at the Mother's Day Fair, and for Christmas at the Quinde Shopping Center and Interbank exhibitions. At national level, at the II International Jewelry Congress that took place in Lima, at the De Nuestras Manos (Of Our Hands) display organized by the Ministry of Tourism, and the Moche Catwalk show, organized by the Sipan CITE in Chiclayo.

The following data is displayed below:

TABLE 5. PRODUCTION ACTIVITY INDICATORS

Project	Family Income (S/.)	N° of jobs created	Sales volume (S/.)
CITE Koriwasi	9,600	25	180,000



Collection piece "Dream Fantasy", designer Elmer Muñoz

## STRENGTHENING OF SAVINGS & CREDIT UNIONS (UNICA)

The Solidarity Initiative for Business
Development (IDESOL), implemented pursuant to an agreement between COFIDE, ALAC and FUNDER Peru, concluded its activities in Peru with satisfactory results. However, in order to consolidate the results, a new agreement between COFIDE and ALAC was signed, whose activities began in September, 2014 and will conclude in February, 2015.

The objective of the new agreement is to understand the true situation of the UNICAs set up during the 2008–2013 period and thus carry out follow-up and monitoring actions in financial management and productive businesses, strengthening the corporate development of the production networks and determining the application of best practices among going concerns.

During 2014, after the diagnostic, the following categories were established: 8 A¹ UNICAs, 230 B² and 110 C³. Furthermore, 356 visits have been carried out to provide technical, financial and organizational support; 2 administrative and financial management strengthening courses that were attended by 9 UNICAs. The following activities were identified and strengthened: quinoa, handicrafts in stone, cotton and wool weaving, guinea pig breeding, rose greenhouses, tree nurseries, dairy products and vegetables, among others.



Savings and Credit Unions (UNICAs) at the gathering organized for the projects' closure

STRENGTHENING OF THE UNICAS

- 348 UNICAs established.
- 3,351,433 nuevos soles in aggregate equity.
- 2,900 UNICA agents trained.
- 5,252 families have taken part in the project.
- 400 representatives of the organizations that took part in the project **attended a UNICA gathering, such as the project closure event.**

<sup>&</sup>lt;sup>1</sup> A type: Active and about to graduate

<sup>&</sup>lt;sup>2</sup> B type: Functioning and requiring strengthening

<sup>&</sup>lt;sup>3</sup> C type: Inoperative





# INCREASED TOURISM-BASED (PROTURISMO) EMPLOYMENT IN CAJAMARCA

Since 2012, Proturismo promotes dialogue, coordinates and supports tourist activities in Cajamarca with the aim of offering quality services and increasing employment. This project is being implemented by means of an agreement between the Cajamarca Chamber of Commerce, ALAC and Yanacocha. The second phase concluded in July 2014. Subsequently, there was a third phase resulting from a new agreement for a period of one year, beginning August 25, 2014.

During the second phase of the execution there were "Training in Developing Tourism Products" workshops with 64 participants among tourism authorities and business people. A second workshop for Training in Rural Community Tourism aimed at the tourism sector, authorities, travel agencies and official tourist guides took place in Cajamarca and Granja Porcón, with 67 participants. In addition, Technical Courses in Customer Service and Costs and Budgets were taught. The first were attended by eight

travel agencies and 34 people, while the second one had 8 travel agencies and 18 people as participants. Another important activity was the execution of Phase I of the Application of Best Practices System for restaurants and Phase II of the Application of Best Practices System of the Tourism Ministry's CALTUR for Cajamarca's hotels.

In the third phase the Proturismo Cajamarca Management Entity was established with the participation of DIRCETUR, CARETUR, the Provincial Municipality of Cajamarca, Granja Porcón, the Directorate of Culture, IPERÚ, PROTURISMO Cajamarca, AVITUR, UPAGU and the Baños del Inca complex. At several work meetings, the Management Entity was able to draft a consensus-based short-term work plan. Additionally, Cajamarca was promoted as a tourist destination in tourism fairs and, thanks to a strategic alliance with Promperu, it was promoted at priority markets in Trujillo and Chiclayo. On the other hand, a tourism booth was delivered to the Culture Directorate of Cajamarca in Ventanillas de Otuzco. This also included toilets, better access and infrastructure in general.



## ENTREPRENEURS TRAINING ENTREPRENEURS

This Project entered its second phase in 2014 with the aim of strengthening skills of Cajamarcan businesses linked to the Chamber of Commerce to address the negative economic situation affecting the region. It was cofinanced by Yanacocha, ALAC and participating entrepreneurs who are members of the Chamber.

To achieve this end, 9 workshops were organized that included 192 hours of classes with the participation of 47 representatives of small and medium businesses of different sectors, 30 of which satisfactorily concluded the entire process. Among the subjects taught were strategic crisis management, situational diagnostics with key performance indicators for companies facing the economic crisis, how to get your business to survive and become sustainable in times of crisis, and preparing an action plan to face the local economic crisis, among others.



Daniel Arrieta, manager of Human Resources for Yanacocha at the opening ceremony of the Entrepreneurs Training Entrepreneurs Project



## FONDOEMPLEO-YANACOCHA-ALAC PROJECTS

The National Fund for labor Training and Promotion of Employment (FONDOEMPLEO) and Yanacocha through ALAC have established a co-financing credit line for the execution of development projects in the provinces of Cajamarca and Celendin. In 2014, 7 selected projects in 3 co-financing lines began.







"Dare to succeed".

Training for job eligibility and opportunities for youths in the mining sector in the Cajamarca-SENATI region

This Project is being executed by SENATI and its aim is to train youths between the ages of 18 and 29 who live below the poverty line in order that they may have access to formal, well-paid jobs. Among the activities during 2014, it is worth mentioning the job fair known as Expoempleo Cajamarca 2014 (in cooperation with the "Train to Grow" project) that had the participation of 16 local businesses. 585 business contacts were made at the event.

With regard to training, of the 500 youths who took the SENATI aptitude tests, 201 approved

SENATI

Participants at the "Dare to Succeed" project together with the technical team

the exam. In addition, 189 youths were trained and certified in the following specialties: heavy equipment maintenance, basic industrial electricity, industrial welding, motor vehicle maintenance, office automation and CAD drawing.



# "Train to Grow". Improvement of job skills for the unemployed and underemployed sectors of the population

This project is executed by the Vamos Peru National Program for Job Opportunities that is aimed at improving the quality of life for the economically active population (EAP), as well as the unemployed and underemployed sectors of Cajamarca's population in the districts of Los Baños del Inca, La Encañada y Cajamarca.

The project has two components: (1) Strengthening the job skills of the beneficiary population for employment opportunities in basic occupations: a minimum of 450 people were trained; (2) strengthening the linkages for job opportunities among the beneficiaries: 312 people found employment.

In addition to the job fair described in the previous project, 240 youths were trained in six different modules: sales assistant, cashier, and customer service; kitchen assistant, hotel and tourist services, as well as housekeeping. Other modules included: management and improvement of dairy farming, pastures and forage using automated irrigation and processing of dairy products.



Youths taking part in the I Entrepreneurial Fair, organized within the framework of the "Success Program" executed by "Aprenda S.A."



# "Young Entrepreneurs". Promotion of young entrepreneurs' initiatives

This project is being executed by the Ministry of Labor through the "Youths to Work" National Program. In 2014, 200 youths from the Cajamarca and Baños del Inca districts were trained in the project modules. In addition, youth focus groups were established, resulting in basic skills training.



"Emprende Joven" Creation and strengthening of selfemployment by means of business initiatives led by youths.

This project is being executed by IDER Cesar Vallejo and has completed the programed

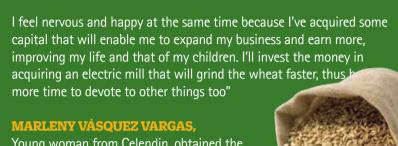
activities in Celendín and Huasmín, with the mission of strengthening self-employment by means of support for these initiatives.

To achieve this, a competitive project process was opened. The jury selected 10 youths who received the seed capital to launch their initiatives. A technical team has been providing follow-up for the implementation and management of the 10 new businesses.

Furthermore, training in human development and business management was provided to 130 youths, who will subsequently receive technical advice for the preparation of business plans.



Luis Chilón, participant in the "Emprende Joven" project, promoting his roses



Young woman from Celendin, obtained the highest score in the competition for business plans.

"Emprende Joven" Project

#### TABLE 6. BUSINESSES THAT HAVE RECEIVED SEED CAPITAL

N°	Participant	Age	District	Name of business	Specialty
1	Cleodomiro Cabada Cotrina	20	Celendín	Miro'Shop	Apparel for men and women
2	Pepe Dante Villar Barboza	29	Celendín	Mueblería Shilico	Manufacture of wooden furniture
3	Marleny Estaurofila Vásquez Vargas	24	Celendín	Comercial Marleni	Sale of ground beans and pulses (menestras)
4	Marilú Guevara Rayco	25	Celendín	Plásticos Marilú	Sale of plastics
5	Luis Eduardo Chilón Chigne	25	Celendín	Florería del Carmen	Flower shop
6	Jaime Quiliche Bardales	22	Huasmín	Productos lácteos Quiliche	Production of dairy products
7	Dolfer Roly Villanueva Vergara	28	Huasmín	Botica Jhampol	Sale of medicines and cosmetics
8	Eulises Tocas Chávez	29	Huasmín	Confecciones Chávez	Garments
9	Nelson Fernández Atalaya	27	Huasmín	Producción de quesos	Cheese production
10	Celia Isolina Fernández Orrillo	18	Huasmín	Crianza y venta de cuyes	Breeding and sale of guinea pigs



# "Success Program" Young Entrepreneurs for Success: Strengthening entrepreneurship and developing new businesses in Cajamarca

This project is executed by Aprenda S.A. and concluded the training stage with the certification of 350 youths in the districts of Cajamarca and Los Baños del Inca. Additionally, the advisory stage took place with the attendance of 180 youths. A business fair was organized to disseminate the project among youths in 11th and 12th grade, and the planning stage began for competitive funding for projects that will finance 12 business plans.

L3

"Edible Mushrooms". Commercial promotion of edible mushrooms from the pine forests of Cajamarca.

This project is executed by ADEFOR and is aimed at improving the use of edible mushrooms in the pine forests in order to

increase family incomes. The project is focused on increasing production levels, productivity, quality and marketing of the mushrooms by means of providing training, technical assistance and promoting business alliances in the districts of Cajamarca and La Encañada.

During 2014, the following results were achieved:

- 101 ha of pine forest with forest grazing management.
- 53 forest owners learn how to condition the forests and apply suitable forestry techniques on their plots (pruning and thinning) and practices aimed at preserving the dampness of the soil.
- The yield and quality of the edible mushrooms has improved by means of forestry management and collection techniques.
- 1 cooperative created, Jalca Verde, allowing for the organization of the production and collection of the mushrooms.



Day at the field in the context of the "Commercial production of edible mushrooms" Project, executed by ADEFOR

# L3 Int

# "Cattle Raising Project" Integrated cattle raising initiative for job creation and increase of income in Cajamarca

This project is executed by FONCREAGRO and is aimed at improving the quality, productivity and competitiveness of dairy farming in the districts of Cajamarca, La Encañada and Los Baños del Inca. In this manner, it is expected to increase the value and number of jobs, as well as the incomes of the beneficiaries of the program.

The following activities were carried out in 2014:

- 105 ha installed and managed (fertilized, weeded, cut, planting of pastures) with species of improved pastures (ryegrass and clover).
- 60 ha were subjected to maintenance by means of replanting and fertilization.
- 170 producers have received training in pasture management.
- 676 samples of milk collected and forwarded for processing at a quality laboratory.
- 361 artificial inseminations carried out.
- 120 producers have received training in animal health.

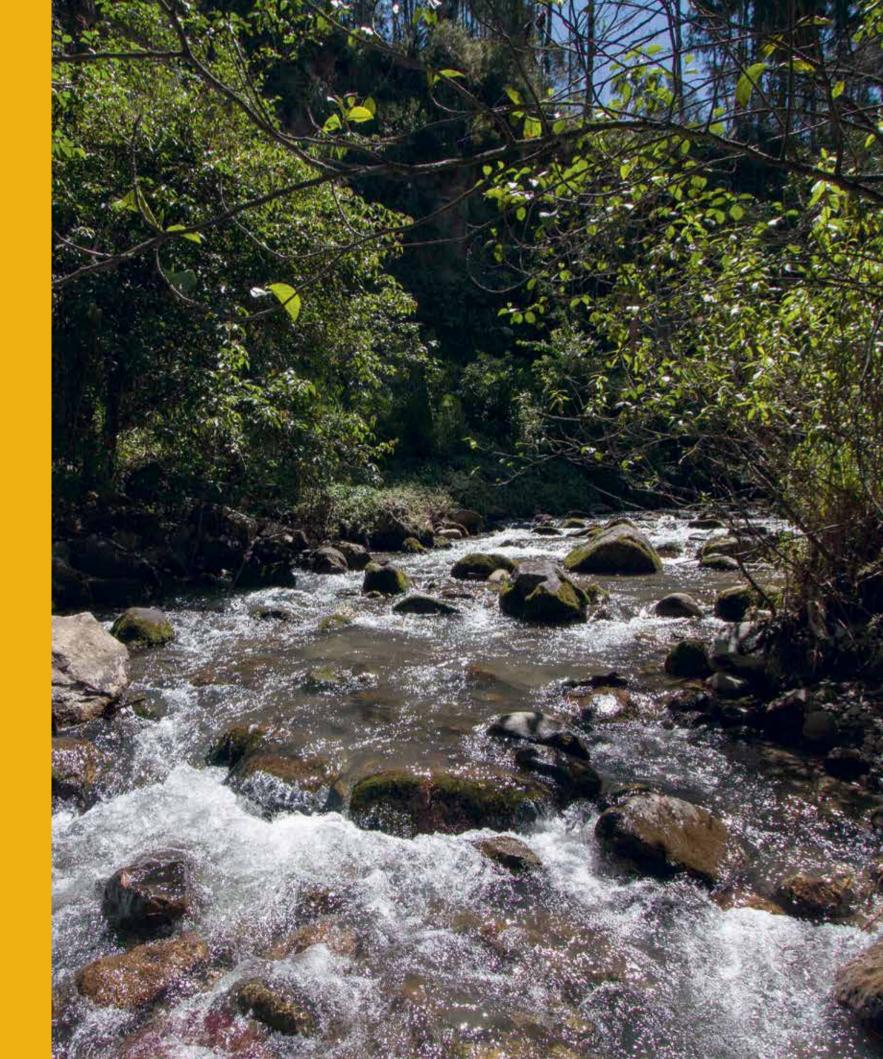


Participant in the "Integrated cattle raising" project



This objective was developed with the contributions of Yanacocha, Mining Program for Solidarity with the People of Cajamrca and the Cooperation Agreements with the Provincial Municipality of Cajamarca and SEDACAJ.

It is mainly addressed at facilitating the investment of public and private resources in social infrastructure with an emphasis on water.







## WATER AND INFRASTRUCTURE FOR DEVELOPMENT

- S/. 24'436,680 invested in projects that improve availability of potable water for the city.
- S/. 4'400,728 invested in social infrastructure (education and health) **that will contribute to improve the quality of life of the population.**
- S/. 6'774,114 i invested in productive infrastructure (water reservoirs, roads, power) that contribute to improve job opportunities and incomes for the population of Cajamarca.
- Contributions that will allow 65,892 students in 83 schools **improve their quality of education** by means of securing good title for the land and preparation of profiles.
- 1,780 students from 12 schools have benefited from the installation of prefabricated schoolrooms and computers contributing to a better quality of education.



Prefabricated schoolroom installed at a school in Mayobamba, Santa Cruz-Cajamarca

# HEALTH EDUCATION AND SANITATION INFRASTRUCTURE

#### **WATER AND SANITATION**

#### Water for Cajamarca

During 2014, thanks to an agreement signed between the Provincial Municipality of Cajamarca, SEDACAJ, Yanacocha and ALAC, the following projects were executed.

 Pipeline from PTAP El Milagro to Reservoir R2.
 With the completion of this work, 126,000 inhabitants have benefited and now have

better quantity and quality of potable water.

- Improvement of the Treatment System of the PTAP Santa Apolonia.
   In order to improve the water treatment at PTAP Santa Apolonia, maintenance work was carried out on the slow-sand filters.
- Construction of the R6 New Reservoir in the Mollepampa sector.
   Construction was completed. Currently, the new reservoir allows for an increased storage capacity of drinking water that will benefit the population of the Mollepampa sector.
- Expansion of Mollepampa Sector arterial water mains (R6) - Mains Ø 12", 10" y 08".
   This work has benefited 80,000 inhabitants, who now have better quantity and quality of potable water.

 2007-2009 Expansion of Potable Water Network in the city of Cajamarca. Stage V (Secondary feeders).

This work benefits 180,000 inhabitants of the city of Cajamarca, who will have safe access and greater availability of potable water. The work, financed with resources from the PSMC Voluntary Contribution of Cajamarca for an amount of US\$1,185,470, was completed during the current administration.

### Water pipeline from SAP Huambocancha Baja

The conclusion of this work has improved the quality of life of 80 families in the locality of Piquilisho with safe access to potable water. The Piquilisho–San Francisco Huambocancha Baja–Cajamarca Potable Water and Latrines Pipeline was executed thanks to an agreement between ALAC and the Huanbocancha Baja Municipality, with co–financing from FONCODES.

#### Zarcilleja SAP

The Improvement and Expansion of the Potable Water and Latrine System work of the village of Zarcilleja in the district of Baños del Inca was completed, thanks to an agreement between ALAC and the District Municipality of Baños del Inca. This work benefits 118 families from the village of Zarcilleja, that now have safe access to potable water and latrines, thus improving the quality of their lives. The project considered it important to include training in sanitation education, administration, operation and maintenance of a potable water system, in order to ensure its correct functioning and sustainability over its useful life.



#### **EDUCATION**

#### Cajamarca reference laboratory

The National Health Institute and the Regional Government of Cajamarca approved the technical file for the Construction of Infrastructure and Equipping of the Regional Health Reference Laboratory Project. Once the laboratory is functioning, it will be able to monitor and control communicable diseases and epidemics in the region.

#### Installation of computers at the San Ramon School-La Recoleta Annex

In order to improve the quality of education of approximately 1,300 students of this flagship school, modern computers with a LAN connection were installed.

#### Prefabricated schoolrooms

24 prefabricated schoolrooms were installed in

11 schools in the region. This work completed the second stage of the "Emergency, Transportation and Installation of 50 Prefabricated Schoolrooms in 20 Schools in Cajamarca" project, that assisted schools affected by the rains.

### Improvement of 32 schools in the province of Celendin

The Office of Programing and Investments (OPI) of the Cajamarca Regional Government (GRC) approved the pre-investment studies, at profile level for the "Improvement of Educational Services at Primary Level in Localities in the Province of Celendin" project. This covered zone 4, including the localities of Santa Cruz, San José, Miraflores, Dos de Mayo, Rambran, Nueva Bella Aurora, and La Granadilla de Callacat. We estimate we will be obtaining the feasibility of the profiles of zone 1, (Miguel Grau, Canden, Chimuch, Adamachay, Musaden, Calvario,



Student of San Ramon School-La Recoleta Annex using the new equipment



In our community we're going to improve School 821095; these files are a very important tool, since without them we couldn't execute any infrastructure project. This is a very important contribution that Yanacocha is making to our village, and I'm very satisfied because we'll be improving our school. The current one is run down and we want to improve the education of our children"

#### STEVE ARCE MEDINA.

lieutenant governor of La Chorrera. **Infrastructure for Development** 

San Antonio and Muñuño), zone 2 (San Isidro, El Limón, Jorge Chávez, Fraylecocha, Cajen, Bellavista de Cajen, La Quinua and Pajonal), and zone 3 (Campo Alegre, Muyoc Chico, Sendamal, San Luis de Tincat, Ocsha, Salacat, Molinopampa and Maraypata), between January and February of 2015.

#### San Antonio Children's Village

The GRC's OPI approved the profile of the Improvement of Services of the San Antonio Children's Village project. The technical file has been approved by all the specialists. It's expected that the formal approval of the study should be issued in February 2015.

#### Cajamarca Regional Archive

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This project will allow the provision of the necessary infrastructure for the conservation and storage of Cajamarca's documentary heritage. The profile of the "Improvement of the Cajamarca Regional Archive Services of

Cajamarca" project was approved by the GRC's OPI.

## Publication of the "Archaeology of the Upper Amazon-Origins of Civilization in Peru" book

ALAC/Yanacocha and the Friends of the Museum of Sipan Association signed an interinstitutional agreement for the "Investigation and Conservation of the Archaeological Heritage of Montegrande and San Isidro", financed with resources from the PMSC Yanacocha Contribution. This allowed the publication of an important work that will allow the dissemination of the monumental architecture heritage of the ancient civilizations of the Marañon North-eastern region. The presentation of the book took place at the Ministry of Foreign Relations with the attendance of authorities and specialists within the framework of the Peru-Ecuador bi-national meeting.

#### ROAD INFRASTRUCTURE AND ELECTRIFICATION

#### YAUYUCAN-CONEJO TRANCA HIGHWAY

The profile and technical file of the "Improvement of road quality for the blacktop from the locality of Yauyucan to the Conejo Tranca crossing, district of Yauyucan" project were approved by the District Municipality of Ninabamba and District Municipality of Yauyucan.

The execution of the Project will benefit 3,712 inhabitants. This activity is carried out by means of an agreement signed between Minera La Zanja and ALAC/Yanacocha.

#### YERBA BUENA ELECTRIFICATION

The profile and technical file of the "Expansion of electrification Yerba Buena sector-Porcon Alto village" project were completed. The project aims to contribute to improving the quality of life of 47 families in the Yerba Buena village by means of access to electrical power.



Electrical installations technician being trained by the "Safe Rural Home and Productive Uses of Electrical Power" project



I am very pleased because I have an additional job and I've learned a lot of new things. I carried out electrical installations in 49 homes, but apart from that I've been hired for other houses to make safe electrical connections, since the previous ones weren't. This training, which was carried out by Hidrandina with ALAC and GIZ, has been a great help in improving my income"

JUAN CARLOS CHÁVEZ, electrical

installations technician from the village of Huangashanga, district of Huasmín, in Celendín.

**Safe Rural Home** 

#### SAFE RURAL HOME AND PRODUCTIVE USES OF ELECTRICAL POWER IN THE DISTRICTS OF LA ENCAÑADA AND HUASMÍN

The project was executed thanks to an agreement between Energía Desarrollo y Vida (EnDev Perú) and ALAC/Yanacocha with the participation of Hidrandina S.A. as executor. The objective is to inform and create awareness among the population about the importance of having safe electrical connections in their homes. Some results were:

- 800 families from 11 communities are aware of the importance of safe basic internal electrical connections.
- 10 communities took part in this Project: As a result, safe, basic electrical connections have

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been installed for 729 families.

- 7 institutions that are part of the social infrastructure now have safe, basic electrical connections.
- 26 participants in the project have been trained to carry out domestic electrical installations in homes and institutions within the scope of the project, applying safety and quality criteria.
- Preparation of diagnostics and technical proposals to provide electrical power to 16 productive enterprises in the scope of the project.

#### **CONSTRUCTION OF CAJO10 FEEDER** CABLE

The construction of a medum voltage feeder cable has allowed the supply of power to the Gran Qhapac Ñan Complex and directly benefited the public sector entities that develop their activities within the complex, thus allowing better service for the population of Cajamarca. The work will be transferred to Hidrandina, the concession holder that will take over operations and maintenance during the first quarter of 2015.



Gran Qhapac Ñan Complex

#### **PRODUCTION AND MARKETING** INFRASTRUCTURE

#### **CONSTRUCTION OF THE CELENDIN SUPPLY CENTER**

In order to provide suitable conditions for the sale and supply of basic goods for the city of Celendin, co-financing was completed for the execution of the "Expansion of the Supply Center, province of Celendin, Stages I and II" project.

The development of this project had the support of the Provincial Municipality of Celendin and the Conga Project. It should be mentioned

that 661 vendors from the market were trained to improve their self-esteem and social responsibility, among others.

#### CAJAMARCA MUNICIPAL SLAUGHTERHOUSE

This project had the approval of the OPI of the Provincial Municipality of Cajamarca. With an investment of S/.9'924,943, 180,000 inhabitants of the city will benefit and a suitable infrastructure will be provided for the sale and consumption of healthy meat with health and nutrition warranties. The relocation of the current Municipal Slaughterhouse will improve sanitary conditions of meat products for the benefit of the population.



Facade of the supply market of Celendín



Within the scope of influence of the Conga Project, ALAC is developing a series of activities in line with its strategic objectives.

Along those lines, in 2014 the activities planned included the institutional strengthening of the 16 CODECOS ratified within the area of influence of Conga, in order to ensure engagement and compliance with the commitments made to the communities, always in the context of DRIT (Rural Territorial Integrated Development), promoting a participative process to improve the quality of life in a sustainable manner, taking advantage of the resources and potential, within the framework of a public-private-community alliance.

It is worth noting that 8 producers of the Propapa and Aguaymanto projects participated in the Mistura gastronomic fair, where they invoiced close to S/. 12,000 in sales. This fair has allowed our producers to display the different crops produced within the scope of the Conga project. Furthermore, the Casa Segura (Safe Home) Project was concluded, with the construction of 26 microreservoirs and the Education Para la Vida (Education for Life) project was begun. This project is aimed at strengthening the social skills of students from 9 primary schools in Sorochuco.



Farewell for participating producers in Mistura 2014

Javier Velarde and the former mayor of Celendin, along with the forestry promoters, receiving the recognition from the SNMPE (National Society of Mining, Petroleum and Energy). VEINTE AÑOS QUE TRANSFORMARON PONTIFICIA UNIVERSIDAD CATÓLICA **NUESTRO FUTURO** 

> ITE AÑOS QUE NSFORMARON

Raúl Benavides, Celfia Obregón, Violeta Vigo and Javier Velarde receiving the award of Premio Peru 2021

## IN 2014 2 NATIONAL ACKNOWLEDGEMENTS WERE OBTAINED:

- 2014 Sustainable Development Prize awarded by the National Society of Mining, Petroleum and Energy, in the environmental management category for the "Forest Planting in Celendin" proposal with social and environmental objectives.
- Premio Peru2021, in the community category for the "Competitive and commercial production of native potatoes" proposal in the scope of influence of the Conga Project.





It's the first time that an activity of this scale was executed at our school. Now our children are improving their behavior with respect to the washing of hands, consumption of safe water, and they are bringing healthier lunch boxes"

JOSÉ ANSELMO BAZÁN principal of El Valle school. Education in Sanitation



In education and health a proposal was implemented to improve the quality of education in the villages of Sorochuco. Furthermore, skills were strengthened in education in sanitation and the administration, operation and maintenance of the potable water system (SAP) of El Valle village (it should be noted that the Municipality of La Encañada executed the work). In this latter aspect, the "Education in Sanitation" project in the village of El Valle has trained 24 members of the JASS council and community leaders. In addition, the JASS charter and by-laws were approved, along with capacity-building in quality control for water, whose oversight is coordinated with the Ministry of Health. Among other results for 2014 we can mention:



- 82% of men and women acknowledge the importance of organization and participation in the management of services.
- Awareness-building for 80% of families and training in self-esteem, safe water, hygiene and sanitation.
- 20 homes improved, clean and orderly.
- 20 homes with improved kitchens, clean, with shelves, and level floors.
- 20 families improved their hygiene habits.

### PROGRAM FOR ALTERNATIVE INCOME (PIA)

During its fifth year of execution, the Program for Alternative Income (PIA) implemented the "Competitive Potato Production" project, and began its closure and transfer phase as a result of the increase in Supply of Native Fruits In Celendin. This program model seeks to strengthen small producers and generate linkages to the market.



Production of seedling tubers in aeroponic greenhouses in Yerba Buena Chica



Eggplants and Cape gooseberries, native Andean fruits restored to their former value by means of the Program for Alternative Income promoted by ALAC.

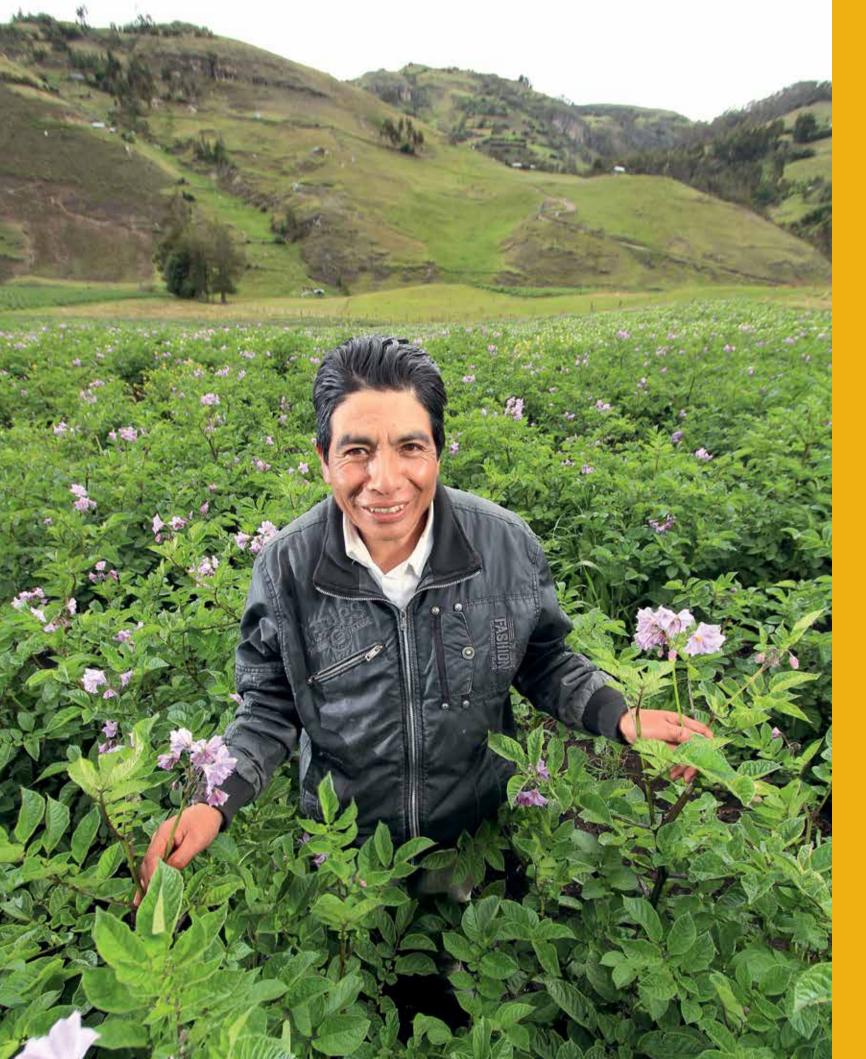
### ALTERNATIVE INCOME PROGRAM

- S/.1'884,896 generated by the production of Cape gooseberries and potatoes.
- S/.1,007 of annual family income for the potato producers.
- S/.6,833 of annual family income for the Cape gooseberries.
- 86 jobs created.

#### TABLE 7. PROGRAM INDICATORS

110011111111111111111111111111111111111								
N°	Project	Annual family income (S/.)	N° of jobs created	Gross production value (S/.)	N° of people with improved capacities			
1	Competitive potato production	1,007	72	1'679,896	1,668			
2	Increase in the Supply of Native Fruits to Celendin	6,833	14	205,000	30			
	Total	7,840	86	1'884,896	1,698			







The potato business has contributed to the improvement of family incomes in my area. We're all producing potatoes, not just for the local and national markets, but also for the preparation of potato chips and potato ice cream from colored pulp. This allows us to work on the processing of potatoes to offer it to the markets and that is benefiting us all"

**EDUARDO INFANTE** PROPAPA



In order to improve Incomes, the Project develops production and organizational skills among the potato producers. In this regard, during 2014, 2 workshops were organized for local instructors and authorities, with the aim of improving knowledge and skills in technical-productive, organizational and management aspects. Additionally, 123 training sessions took place with the participation of 738 producers. It is worth noting that 4 producers' associations have been formed in the villages of Uñigán Lirio, La Florida, La Victoria and Yanaquero.

As regards production, the following results were obtained:

• 11 hectares of native potato varieties with colored pulp (Leona, Qeqorani, Beso de novia, Puma Maqui, among others), for native potato snacks.

- 114 hectares of potatoes planted, in two planting seasons, with the participation of 1,668 producers.
- 4.3 hectares of potato seed beds planted with the participation of 19 producers from the villages of La Chorrera, Cruz Pampa and Yerba Buena Chica.
- 11,896 pre-basic, virus-free, seedling tubers produced.

Finally, the native potato has been introduced in highly competitive markets thanks to the participation of 4 producers in the 2014 Mistura International Gastronomic Fair in the city of Lima. Thus the biodiversity of the native potato was promoted, along with the snacks derived from it., that were very popular with the public.

### Increase in the Supply of Native Andean Fruit in the Province of Celendin

The project is aimed at generating sustainable income among producers by means of the implementation of new production systems. In terms of training, 17 workshops were organized on technical production management, 2 on organic certification, 9 on processing Cape gooseberry products and 6 on business management. Likewise, 259 advisories were carried out on technical production management, 161 in organic management and certification and 98 in business management. Part of the learning acquired was collected in 2 manuals: "Integrated management of pests and diseases" and "Processing of Cape gooseberry products".

Furthermore, the following results were achieved:

- 2.4 hectares of Cape gooseberries were planted, in addition to the 7 hectares from earlier seasons.
- Participation in fairs and internships aimed at promoting the Cape gooseberry and its products.
- S/.104,316 from sales of 37,500 kilos of Cape gooseberry. Additionally, 3,905 daily wages were produced, the equivalent of 14 temporary jobs.

### BASIC INFRASTRUCTURE FOR DEVELOPMENT

• During 2014, S/.1'523,975 were invested in social infrastructure to benefit the standard of living of the population of Quinuapampa. Among the works was the construction of a potable water system (SAP), that will supply 116 consumers. In addition, 121 consumers will benefit from the sanitation Works (conversion of septic tanks into latrines).



Pines planted in the heights of Celendin, forestry project

### CELENDIN FORESTRY PROJECT

• 1,472 families from 88 localities in the scope of influence of Conga's activities **have taken part in the planting of 1,991 hectares, creating 100,000 daily wages.** 

CONSTRUCTION OF PRESSURIZED IRRIGATION SYSTEMS THROUGH MICRO-RESERVOIRS

• 26 pressurized irrigation systems built through the use of micro-reservoirs in the districts of La Encañada and Huasmín, **that directly benefit 78 families, creating 5,000 daily wages.** 

## SAFE RURAL HOUSING IN THE DISTRICTS OF LA ENCAÑADA AND HUASMÍN

• 729 families now have safe electrical connections installed through the "Safe Rural Housing" project in 10 villages within the area of influence of the Conga Project.





In 2014, there have been increasing demands for the rational and efficient use resources as a result of the annual budget from Yanacocha being reduced by 27% within the framework of its cost reduction policy.

Another important process has been the work carried out in conjunction with Fondoempleo for the implementation of 7 projects in the provinces of Cajamarca and Celendin through the Co-financing Fund. This has implied establishing and adapting to administrative processes for the implementation and monitoring of said fund.

### ADMINISTRATIVE AND FINANCIAL MANAGEMENT

- 99.9% of execution with regard to annual budget provided by Minera Yanacocha.
- 15% of administrative expenses executed with regard to budget provided by Minera Yanacocha.
- 4.2% of administrative expenses executed with regard to all ALAC financing sources.
- Unqualified opinion for the financial audit of the institution for fiscal year 2013.

#### **HUMAN RESOURCES MANAGEMENT**

- 19% of personnel have received specialized training by means of internships, diplomas and other specialization courses based on recommendations and requirements set out in the annual personnel evaluations.
- 79% of personnel, on average, have taken part in workplace safety and health meetings.

### a. Activities carried out relating to administrative management

- During the first quarter a financial audit corresponding to fiscal year 2013 of the institution was carried out by Dongo Soria y Gavelio, auditing firm associated with PriceWaterHouseCoopers, which resulted in an unqualified opinion.
- An addendum to the agreement with Minera Yanacocha was signed to establish the 2014 contribution to the ALAC endowment.
   To date, there has been a contribution of US\$300,000 that was transferred to the ALAC trust fund.
- Administrative, logistic and financial support was provided for the execution of projects by various areas of ALAC. An important aspect was the work carried out in conjunction with Fondoempleo for the implementation and monitoring of the cofinancing fund.
- Workplace safety and health were prioritized, and an institutional policy on these issues was established in line with existing legislation. To this end, a number of group meetings and health safety exercises were organized at the workplace.

#### **b.** Budget management

In 2014 the regular budget financed by Minera Yanacocha was approved for an amount of US\$974,984.44. At December 31st, 2014, the amount of US\$973,536.20 had been executed, that is 99,9% of the budget. The break-down can be seen in DIAGRAM N° 5:

#### **DIAGRAM 5. BUDGETED VS EXECUTED PER ITEM**



Budgeted execution includes the resources allocated to the ALAC Endowment for an amount of US\$300,000, as well as the expenses assigned or accrued that will be paid in 2015 (11.7%) Among these are chiefly the financing of

the small production projects that won the VIth competitive bidding process, the entrepreneurial education project, the UNICAS strengthening project and the co-financing of the Berries project in Cajamarca. See the following chart.

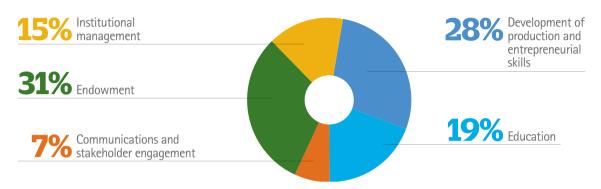
TABLE 8. EXECUTION OF THE 2014 BUDGET AT 12-31-2014, IN US\$

Description	Budget financed by Yanacocha	Expenses at 12-31-14	Assigned	Executed	%
Financing of projects and communications	538,487.01	409,806.81	114,145.77	523,952.58	97.3%
Endowment	300,000.00	300,000.00	-	300,000.00	100.0%
Administrative expenses	136,497.43	149,583.62	-	149,583.62	109.6%
TOTAL	974,984.44	859,390.43	114,145.77	973,536.20	99.9%

In the following chart, we can see that the objectives or lines of action with the most advanced execution are those corresponding to the development of entrepreneurial capacities, followed by education, in line with the

prioritization for 2014 suggested by the Board of Directors. On the other hand, the contribution to the endowment is one third of that allocated to execution.

#### DIAGRAM 6. ALAC 2014 BUDGET EXECUTION. M.Y. ANNUAL CONTRIBUTION (US\$)

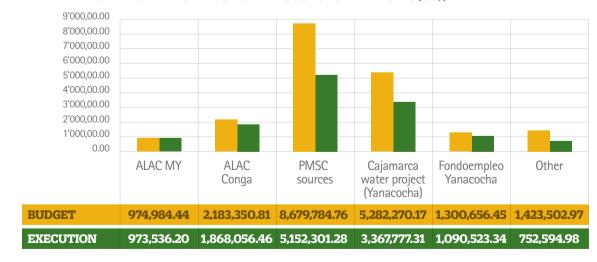


At December 31st, resources from all the financing sources were executed for a total of \$13,204,789.57, out of which US\$1,868,056.46 correspond to special resources from Yanacocha allocated to project execution in the área of influence of Celendin and Cajamarca, and US\$3,367,777.31 for projects aimed at improving the supply of potable water for the city of Cajamarca. Another US\$752,594.98 are related to projects and activities co-financed by Minera La Zanja, Ferreyros, Aramark, Buenaventura and internal resources, among others.

Total administrative expenses for 2013 are for an amount of \$560,193.94, which represents 4.2% of total executed in the period (for all sources of financing).

Within the framework of the Minera Yanacocha Mining Solidarity Program, US\$5,152,301.28 were executed in projects related to health, education and production, among others. In the following DIAGRAM we can see the break-down of the execution per each source of financing.

#### DIAGRAM 7. TOTAL 2014 ALAC EXECUTION PER SOURCE OF FINANCING (US\$)



### MONITORING AND TRUST FUND CONTROL

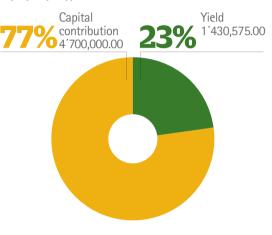
#### a. ALAC trust fund

At December 31 the total value of the equity was US\$6,130,575. Yield obtained in 2014 was 0.86%, equal to US\$42,266. Aggregate yield since the trust fund was set up is 59.66% (According to CREUZA report at Dec. 14)

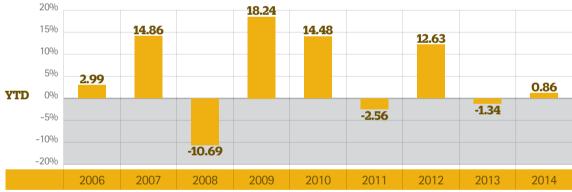
The equity is made up of contributions from Yanacocha for an amount of US\$4,700,000 and the aggregate yield since the beginning of the trust fund is US\$1,430,575. In the chart on the right we can see the break-down.

Details of the monthly yields since the beginning of the trust fund (2006) can be seen in the following chart.

### DIAGRAM 8. ALAC EQUITY IN TRUST FUND AT 12/31/14 (US\$)



#### DIAGRAM 9. ANNUAL RETURN SEPT 2006 - DEC 2014

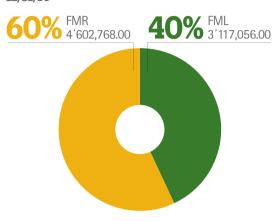


Source: Monthly reports December 2014 Fiduperú – Creuza

#### b. PMSC Trust fund

With regard to trust fund for the Mining Solidarity Program with the People of Cajamarca (PMSC), at December 31, 2014, the market value uf the equity administered in the trust fund was US\$7,719,824, out of which US\$3,117,056.00 corresponded to the Local Mining Fund and US\$4,602,768 to the Regional Mining Fund.

### DIAGRAM 10. PMSC TRUST FUND (US\$) AT 12/31/14



In the Local Mining Fund, el valor del the value of the equity is US\$3,117,056.00,

while the aggregate yield over the past 12 months was -6.82%, representing a loss of US\$228,696 for the present year.

The portfolio of the Local Mining Fund is made up of fixed-income instruments (94.46%) and liquidity (5.54%). The issuer of the fixed-yield instruments is the BCP.

In the Regional Mining Fund, the equity is US\$4,602,768; aggregate yield over the past 12 months was -6.89%, representing a loss of US\$345,472.00 for the year.

The portfolio of the Regional Mining Fund is made up in parts of fixed-income instruments (81.72%) and liquidity (18.28%). The issuer of the fixed-income financial assets is BCP.



Cajamarca landscape

TABLE 9. INVESTMENT BY STRATEGIC OBJECTIVE AND SOURCE OF FINANCING

	OBJECTIVE	ALAC-MY%	ALAC-CONGA	PMSC	Cajamrca Water Ptoject (Yanacocha)	FONDOEMPLEO- Yanacocha	Other sources	Total	%
Objective 1	Education	188,487.08	41,173.23	703,280.77	0	365,092.02	103,707.34	1,401,740.44	10.6%
Objective 2	Development of production and entrepreneurial skills	267,049.81	1,017,632.29	165,167.67	0	725,431.32	147,093.49	2,322,374.58	17.6%
Objective 3	Water and infrastructure for development	0	795,970.07	4,283,852.84	3,367,777.31	0	82,046.85	8,529,647.07	64.6%
Objective 4	Cunnunicatiobins and stakeholder engagement	68,415.69	13,280.87	0	0	0	9,136.98	90,833.54	0.7%
Objective 5-1	Endowment	300,000.00	0	0	0	0	0	300,000.00	2.3%
Objective 5-2	Institutional management	149,583.62	0	0	0	0	410,610.32	560,193.94	4.2%
TOTAL BUDGET 2014		973,536.20	1,868,056.46	5,152,301.28	3,367,777.31	1,090,523.34	<b>752,594.98</b>	13,204,789.57	100%



Cajamarca's main square





#### **ALLIANCES**

- To work in alliances with national programs such as FONDOEMPLEO, the Sub-sector Irrigation program (PSI), and Sierra Exportadora, brings benefits from the perspective of resources, experience and technical support, as well as generating mutual learning in project management.
- Public-private initiatives are a feasible alternative for designing and implementing development projects, especially in areas where there are companies who have a commitment to promote goodwill and social development.
- The public-private management model established in infrastructure projects, allowed for the mobilization of resources in favor of the population of Cajamarca, and has had positive results in spite of the complexity of public sector processes. For this reason, it is vital to insist on the development of a strategy for political incidence that favors achieving results in a timely manner.



#### PARTNERSHIP AND NETWORKS

- The levels of partnership can be expanded and strengthened by the programs and projects co-financed by ALAC. This contributes to the development of production networks that expand the supply of rural production, linking it to the existing demand in Cajamarca
- The development of technical and organizational skills among grassroots organizations is critical for the creation of more stable economic activities that are less vulnerable to market dynamics, and strengthened by means of production networks. A case in point is the Hortfresh Cajamarca Association of Agricultural Producers.



#### COMMUNICATIONS

 Communications are a constant challenge within our organization, due both to the expectations of the Cajamarca population with regard to social investment on the part of Yanacocha as well as of its partners. In this respect, over the past two years there has been a lot of emphasis on integrating communications into the ALAC/Yanacocha corporate plans.



#### PROJECT MANAGEMENT

- At the diagnostic stage, activities need to analyze and consider the organizational aspect as well as the social and political context of the region where the work is being carried out in order to adapt strategies to the surroundings. For example, the PREDECI Alliance for Nutrition in Cajamarca was based on the assumption of social support from the population and political support from the local governments within the scope of their influence. However, the linkages, organization and leaderships were not homogenous within the scope of the activities.
- The various moments of monitoring and evaluation of a project need also to be spaces for reflection and learning in such a manner that the management of the project may be strengthened and the adaptations and corrections to the strategies or procedures may become apparent. It is inconceivable that a project should not be subject to adjustments during its implementation process. (ALAC 2014 Sustainability Evaluation).





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