



SACRED MOUNTAIN

Natural Reforestation in Ecuador

– INTERMEDIATE REPORT –

August 2025

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This Report

2nd intermediate Report on the Sacred Mountain Reforestation implemented by Árbol co(n)razón and the Finca Sagrada Association

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Period:

This report covers a time span of six months
02/01/2025 – 08/01/2026



EXECUTIVE SUMMARY

Progress and Achievements

Since the last Intermediate Report sent in March 2025, we have successfully achieved the most significant milestone so far: the Green Belt is largely finished! The irrigation system is implemented and 3'500 trees as well as more than 2'000 agave have been planted. At the same time, during that work, the herbaceous vegetation has been removed so for this year, the Green Belt serves as a fire break. In December, we will spread goat manure seeding native species and re-plant dead trees.

Furthermore, we finished the extension of the Kitchen building with an amendment room for the workers to sleep. We renewed parts of the transport path, built a new path to the southern slope and repaired some of the old fencing that the neighbor's cows managed to break through.

Challenges and Obstacles

On July 17th, the first accident has occurred since the beginning of our re-forestation project. Jumping into a ditch, one member of the Field Team hit the tip of a barreta (a metal rod that is used to loosen soil). The barreta pierced his skin penetrating his body between the legs and leaving it in at the lower belly. Even though this accident happened on the top of the mountain roughly two hours from the next medical station, Marcelo is fine and recovered from the incident. Lucily, the barreta didn't injure any vital organs. We are very glad that he is fine.

A comparably minor set-back: the automated water distribution device for the Green Belt cannot handle enough water to run more than two sprinklers at a time but would have to run at least five sprinklers in order for the automation to work. Therefore, for now we depend on the manual management of the irrigation system.

Financial Overview

Within the 6 months period, a total of \$ **36,730.61** was spent. Of those expenses, 81.9% were labor-related, 17.9% were material-related and 0.2% went into other expenses. Work package-wise we could save significant amounts of funds with respect to the projected costs of the proposed costs: the Green Belt Part 1 was implemented at a cost of roughly \$ 24,970.- (-36.7%) and can be considered almost finished. The expansion of the Outdoor Kitchen by a room was constructed with \$ 6,006.- (-47.9%).

On the income side, the project has received generous support by foundations amounting to \$ 27,778 but is struggling to keep up with the levels of private donations we gathered last year. So far, the project has received private donations of \$ 2,382. However, we have a strategy to increase donations in the second half of the year.

Outlook

After constructing the Base Camp Bathroom, the work package Tree Planting has the highest priority. We are currently planning the tree islands in collaboration with two university partners – ensuring that as much scientific knowledge as possible can be drawn from our project to advance forest restoration efforts in tropical Andean Dry Forests.

With regards to fundraising, we will do our best to increase the amount of private donations trying to circumvent the high competition in the private and public grant-making sector due to the withdrawal of funding from USAID. For this, we will host an effortful event on September 27th as a fundraiser for the Sacred Mountain Reforestation.

In a side project, we are working with women from Tumianuma to start a tree nursery with seedlings from locally collected seeds representing the local genetic pool!

GENERAL REVIEW

We had a few changes within the staff since the last report was issued. Most importantly, in April we managed to employ a fifth worker. Since then, we were able to progress faster. The fifth worker was Luis, the younger brother of newly employed Robinson. Both of them have turned out to be valuable amendments to our field team: they have a good understanding of the tasks and our mission and they work very hard pushing the whole team to new achievements.

During the past six months, we managed to bring the biggest step towards our vision into life so far: the Green Belt. For this, first we built a water catchment in the Laurel Creek with a gross filter to get rid of stick, stones and other debris. We then installed 600 m of 1"-tubing from the catchment to the mountain ridge. In some very steep parts of the mountain, Cristian needed to be secured by a rope to be safe while working.

When it was clear that there was enough pressure at our desired position for the water reservoir, the Field Team started to dig a ditch of 30 cm depth to bury the tubing – making it fire-proof outside the protected areas. Right after that, we started building the water reservoir with dimensions of 8 m length, 3 m width and 1,5 m depth being able to capture 36.000 L of water.

The next steps were meticulous work finding out how to get the irrigation system to work the right way. We had to consider pressure, tube sizes and different types of sprinklers. In the end, Cristian and Robinson have figured it all out. The Green Belt is now irrigated from 32 sprinklers, each one spanning a range with a radius of 10 m with a little overlap. That way, we are now irrigating a strip of little over 500 m long.

While Cristian and Robinson have worked on the irrigation system, the rest of the Field Team has implemented a fire break where the Green Belt was set out to be located – stripping the land of any flammable herbaceous vegetation. This has served at the same time as a preparation for the tree plantings. Subsequently, 3,500 trees have been planted along the irrigated strip. Additionally, to the west of the strip – facing potential approaching fires – a line of more than 1.000 Agave have been planted. Succulent plants remain green even during the dry season and thus, don't burn and weaken fires before they hit the Green Belt.

The Green Belt now spans the whole Sacred Mountain, from one gallery forest in the south to the other gallery forest in the north, protecting roughly 70 ha of the mountain from wildfires coming from the west.



In parallel to the Green Belt, the Field Team additionally managed to build a cabin as extension of the outdoor kitchen. In there, four workers are sleeping – currently on mats on the floor. During the dry season, we will build beds and bring mattresses in the beginning of the new field season.

Additionally in the time since February, fences have been repaired, the paths had to be maintained from heavy rainfalls and a whole new path was built to the southern slope of the mountain.

This was possible only thanks to the generous grants that we were gifted with by the foundations supporting our vision of a lush green paradise on the Sacred Mountain serving as a refuge for wildlife.

After exceeding the projected donation volume from private donors in 2024 by roughly 20%, in 2025 the donation volume has shrunk heavily. During the first seven months of this year, only \$ XYZ have been donated to our cause. Of course, this decline does not come without a reaction and a strategy for solving this issue: for the second half of this year, we are planning some events as fundraisers and to get more attention to our project in general. This makes us very confident that by the end of the year, we will be able to meet our goals with regard to private donations.



WORK PROGRESS

Work Package: Infrastructure

Path on Southern Slope

While the Green Belt was built, the necessary paths have been constructed alongside. The path along the southern slope is sufficient to transport materials (such as cuttings to plant) by foot and do the necessary maintenance work. It will not be sufficient to transport materials with donkeys or mules but this will not be necessary within this phase of the project.



Base Camp

The expansion of the Outdoor Kitchen by a new room is roughly 3 m x 4 m and thus, offers a 12 m² room to sleep. Members of Finca Sagrada have built and donated a 2-story bed and they will donate a second one soon. We might want to built at least 1-2 shelves for clothes and other personal items.



Work Package: Green Belt

Green Belt

The Green Belt has been successfully implemented in the first half of this year. We have installed a 600 m 1" hose from the spring to the mountain ridge and buried it on roughly 400 m to protect it from damage by wildfires. At the end of the hose, we build an 8 m x 3 m x 1.5 m water reservoir. From there, a hose leaves downhill to feed the irrigation system. The water supply is split in two to feed the sprinklers on each slope, north and south. In total, 32 sprinklers have been installed with each one spanning a diameter of up to 20 m. In the area covered by the irrigation, 3010 trees (2950 from estacas) and 2090 Agaves have been planted.

Unfortunately, the automatic distribution device does not allow for sufficient water flow to run the amount of sprinklers that would be necessary to automate irrigation. Therefore, currently the irrigation is handled manually. By next year, we might try to find a suitable device that works for this purpose. Also next year, we might need to replant some trees that did not survive and in the beginning of the rainy season, we will spread goat manure along the green belt. Goat manure contains a variety of seeds from local tree and shrub species and comes with the necessary nutrients to support their growth. Besides these tasks, the Green Belt can be considered finished – with roughly one third lower costs than we anticipated.

Rainwater Retention Landscaping

As planned, no investments into Rainwater Retention Landscaping have been made yet.



Work Package: Maintenance

Fire Breaks 2025

The fire breaks this year have been implemented alongside the Green Belt. Before the trees were planted, the grassy vegetation has been removed, effectively creating a fire break. However, it is not easily possible to differentiate the costs for the fire break from the general work – so, the expenses that account for the Green Belt even **include the Fire Breaks.**

Fencing

After the neighbor’s cows entered the Sacred Mountain again, we had to do an unplanned maintenance intervention renewing the “fencing” on the mountain top. Those fences are in reality ditches that cows cannot overcome. They don’t require materials but manpower. Cristian has hired some extra workers to make the necessary reparation works in one week. Since then, we have had no entries by cows anymore.

Additionally, some barb wire fences also needed some improvements to make them cow-proof.



Paths

After some heavy rains January and February, parts of the transport path on the eastern slope needed to be rebuilt. We invested one week of work with the field team.

Other Work Packages

Tree Planting: Contrary to our plans, we planted only 250 seedlings on the eastern slopes so far. As we advanced in our new project AgroFlorezca which includes building a Tree Nursery which will be run by a group of women from Tumianuma, we decided to reduce our planting efforts to some experimental plantings. By the next rainy season, the tree nursery is supposed to be functional and running, providing seedlings grown from locally sourced seeds. For the experimental plantings in February 2025, we used seedlings that we collected from the wild around the farms and riparian forest remnants around the mountain.

We will plant the missing 2’250 seedlings During the next rainy season starting in December.



FINANCES

The reporting date on financial information is 08/01/2025.

Revenues and Expenses of the Past Period

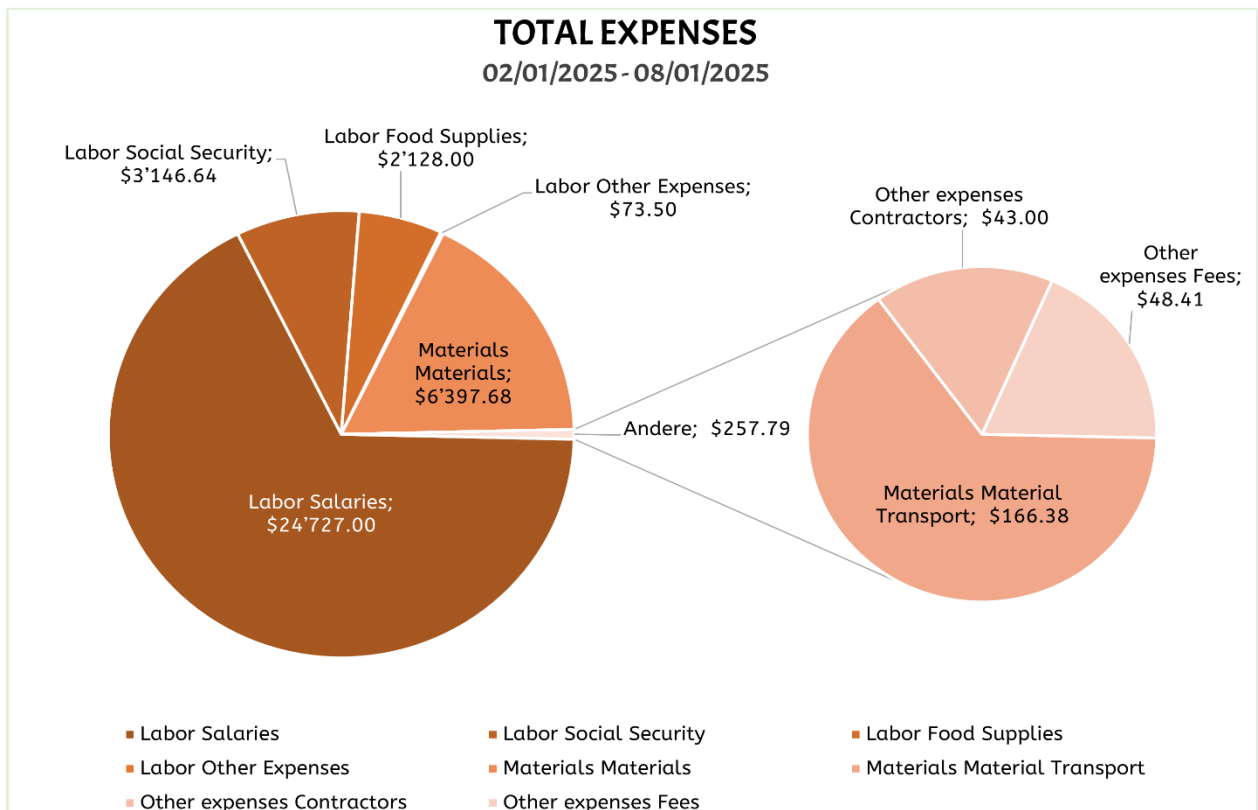
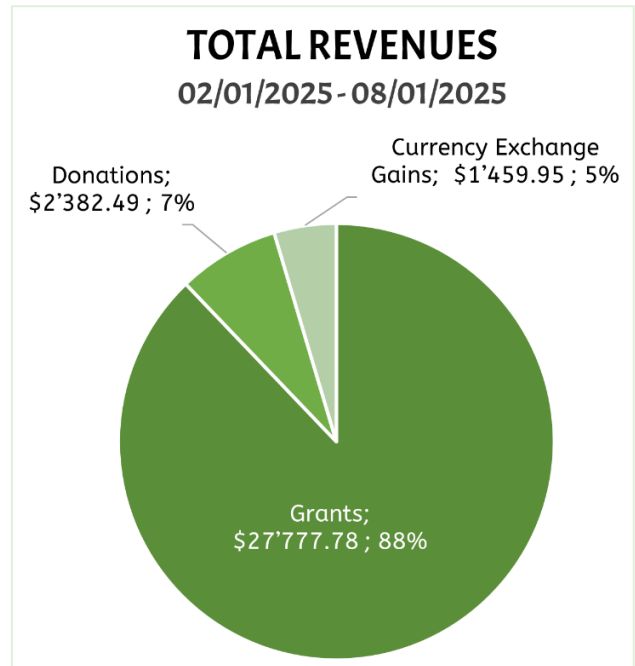
Revenues

Since the last intermediate report for January 31st, 2025, a total of \$ 31'620.20 have been donated to the project. Of this, 88% came from foundations (\$ 27,777.78) and only 7% from private Donations (\$ 2,382.49). Another 5% can be attributed to a better currency exchange rate compared to the anticipated average exchange rate of 0.90 CHF/USD.

Expenses

In the same period, a total of \$ 36'730,61 were spent. The biggest share of this was Labor Costs (81,9%). Roughly two thirds were directly paid as salaries (\$ 24,727.00; 67.3%), 8.6% went into social security payments (\$ 3,146.64) and 6% were used for food supplies (\$ 2'128.00; 5.8%) and other expenses (\$ 73.50; 0.2%). Food supplies costed \$ 81.85 per week for a mean number of around 5 persons (\$ 16.37 per person per week).

The other costs amounted to 18,1% of the total expenses. Most of it went into material costs (\$ 6,397.64; 17.4%). The rest was spent for material transport (0.5%) and other expenses (0.2%).



Fundraising

Grants*

Since the last intermediate report, one foundation has approved our project and approved a financial contribution of CHF 5,000.- (\$ 5'555.56). Due to very limited time resources, we handed in our proposal to only few grant opportunities in 2025. Therefore, the chances for another grant approval have been generally low. Nonetheless, due to savings in the Green Belt and Base Camp work packages and the improved exchange rate we expect to be able to finance the most crucial tasks of next year with the remaining funds and the approved funding. Nonetheless in 2026, we will increase our fundraising efforts to be able to scale the tree planting activities in 2027 – and maybe beyond.

Thus, the current state remains the following:

2024	2025	2026	2027
\$ 27'777,78	\$ 42'222,22	\$ 14'444,44	\$ 14'444,44

*We refer to all funding from foundations as "Grants".

Donations

From January 31st, 2025 to August 1st we have received \$ 2'382.49 in form of private donations. This amount lies below our expectations. In general, we receive more donations in the second half of the year – particularly around Christmas – but generating private donations worth \$ 10,000.00 in half a year will be challenging. We have existing plans to increase our donation volume mostly by conducting events and hope this will improve the situation by the second half of the year.

Financial Overview

	2024	2025*	2026	2027
Grants approved	\$ 27,777.78	\$ 42,222.22	\$ 14,444,44	\$ 14,444,44
Grants received	\$ 27,777.78	\$ 31,111.09	\$ -	\$ -
Grants pending	\$ -	\$ 11,111.11	\$ 14,444,44	\$ 14,444,44
Private Donations	\$ 15,517.99	\$ 2,382.49		
Currency Exchange Gains	\$ 886.16	\$ 1,459.95		
Remains from previous year	\$ 3'497.45	\$ 23,653.66		
Total Revenues	\$ 47,679.37	\$ 58,607.19		
Infrastructure	\$ 17,448.72	\$ 11,261.98		
Green Belt Part 1	\$ -	\$ 24,966.38		
Green Belt Part 2	\$ -	\$ -		
Tree Planting	\$ -	\$ 216.00		
Maintenance	\$ 6,576.99	\$ 3,676.75		
Total Expenses	\$ 24,025.71	\$ 40,121.11		
Remains	\$ 23,653.66	\$ 18,486.08		

*accounting until August 1st, 2025

COMPLIANCE TO PROPOSAL

General

Compliance to Schedule

Most of the tasks have been completed in time. Especially the biggest task in the last project period, the Green Belt was finished perfectly on schedule - even surpassing the milestone objective of planting 1,000 trees and 1,000 Agave by + 250% and +106% respectively. The construction of the cabin was finished before schedule. Only the Base Camp bathroom has not been started yet and was postponed to September/October.

Budget Compliance

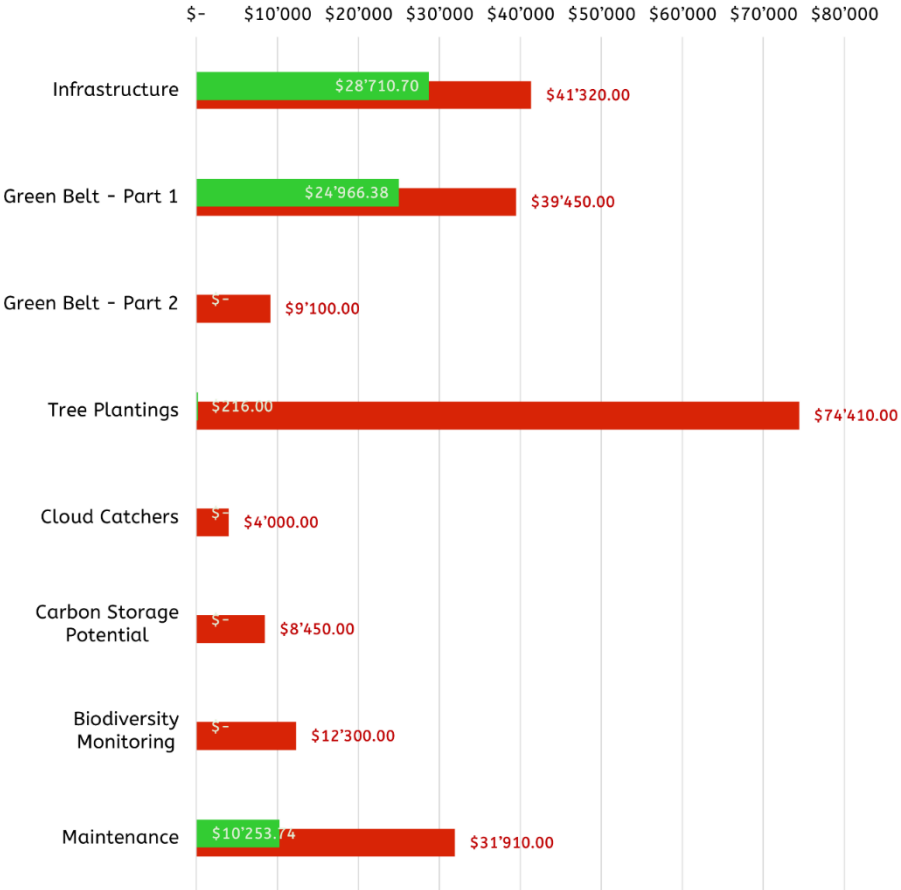
During the past project period, we saw a few budget overdraws due to the difficulty to plan costs precisely when working on the mountain with little to prior experience. The past 6 months have shown that this difficulty can also go in the other direction: we could finish three major tasks, Green Belt Part 1, the Southern Slope Path and the Cabin, at significantly lower costs as anticipated. In all three of these tasks, minor costs might follow in the upcoming project period(s) but the costs will remain below the proposal.

Conclusively, in the reported period of February 2025 to July 2025 we could save significant amounts of funds that are now available for the upcoming tasks - particularly the tree planting work package which now has the highest priority.

Budget

So far, none of the work packages have been implemented to 100%. Nonetheless, in the work packages Infrastructure and Green Belt Part 1, the costs are further away from the budget as the implementation status is away from completeness. Thus, it is becoming evident that we will be able to implement the work packages at lower costs as anticipated.

**BUDGET COMPLIANCE:
WORK PACKAGES**



Schedule

	2024				2025				2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INFRASTRUCTURE																
Build transportation paths		✓✓✓			✓											
Repair fences					✓											
Base Camp - Kitchen				✓✓												
Base Camp - Dry Toilet							→	✓								
Base Camp - Cabaña						✓										
GREEN BELT																
Install water pipes					✓	✓										
Construction of Water catchment					✓											
Excavate Water reservoir					✓	✓										
Install Irrigation					✓	✓	✓									
Plant trees and agave					✓	✓	✓									
Rainwater Harvesting on Northern slope										✓	✓					
Replacement of dead trees and agave									✓							
TREE PLANTING																
Tree saplings on Eastern slope									✓	✓						
New areas along the Ridge									✓	✓			✓	✓	✓	✓
New areas on Southern slope																✓
MAINTANANCE																
Renewal of Fire breaks			✓✓✓✓			✓✓					✓	✓				
Renewal of Swales										✓	✓				✓	✓
Maintanance of paths					✓					✓	✓			✓	✓	
Maintanance of Base Camp								✓		✓	✓			✓	✓	

Completion Base Camp

1'000 Trees & 1'000 Agave planted

500 m of Swales and 10 Dams implemented

2'500 Seedlings planted

Min. 20'000 Trees planted



Implemented Tasks

Task	Budget	Actual Costs	Difference	Diff. in %
Southern Slope Path Cost differentiation between Southern Slope Path and Green Belt difficult.	\$ 6,890.-	\$ 3,414.28	\$ -3,475.72	-50.4%
Base Camp – Cabin Significant saving due to – among others – members of Finca Sagrada donating bunk beds and mattresses.	\$ 11,525.-	\$ 6,005.92	\$ -5,519.08	-47.9%
Green Belt Part 1 Few minor tasks left for upcoming periods (spreading goat manure, re-planting dead trees) but no major costs expected.	\$ 39,450.-	\$ 24,966.38	\$ -14,483.62	-36.7%
Fire Breaks 2025 Impossible to differentiate between the Fire Breaks and the Green Belt as they were implanted simultaneously. Therefore, <u>costs included in Green Belt!</u>	\$ 4,670.-	\$ -	\$ -4,670.-	-100%

OUTLOOK

Next Steps and Priorities

During the dry season, the Bathroom for the Base Camp that needed to be postponed will be constructed. With the completion of the Base Camp, the infrastructural investments are complete and the ground work is laid to scale up our forest restoration efforts. Therefore, the highest priority for the upcoming two years – particularly the rainy seasons – will be the planting of tree islands. The scientific hypotheses and the experimental design have yet to be decided as the involved researchers have not yet settled on a common ground. The design as well as the roles and responsibilities will be defined until Christmas – otherwise the planting of the tree islands in an experimental setting will not be possible. To gain a better understanding of the costs for the tree island implementation, in December we are making an exemplary planting of 100 cuttings and 50 seedlings specifically tracking time and costs. With the half-time report on January 31st, we will review and revise the detailed objectives, required funding and assess the need for further financial resources.

Besides the work package Tree Planting, the most crucial work package is Maintenance – mostly to ensure the implementation of the tree planting and the continuity of our infrastructural investments. The Cloud Catchers, the Biodiversity Monitoring and the Carbon Sequestration Potential will be implemented with reduced efforts.

Fundraising and Cost Reduction

With the funds saved during the previous period and the approved funding for 2026, we will be able to implement the first part of the Tree Planting work package. After the test plantings in December, we will assess the need for further funding and if necessary, revise our objectives.

We will engage to implement the Biodiversity Monitoring and Carbon Sequestration Potential with the help of students and/or interns to reduce costs. With these measures, we are confident to finalize Phase 2 successfully!

Name

The Project will soon receive a total re-branding. The name “Sacred Mountain Reforestation” has been a working title that never got replaced because we couldn’t find a good name. Finally, after more than three years of the project, we finally found a name that fits the project much better: “Kuntur Wachana” – Quechua for “where the Condors are born”. According to the elderly people of Tumianuma, in the beginning of the 20th century the mountains – including our “Sacred Mountain” – were covered in forests. Back then, there were still Condors nesting here. It was the introduction of the cow that made people clear the forests to create cattle pasture. Our vision is to bring back these mountains – and with them, eventually the Condor.

The creek running south of the Sacred Mountain is even called “Condorhuana” and some Tumi-anumans believe that this derives from a misunderstanding by the Spanish and should be called “Kuntur Wachana” – that’s how we got to the name.

The next Intermediate report will therefore come with the new project name “Kuntur Wachana Reforestation”.



KUNTUR WACHANA REFORESTATION



Income Statement For Period Covering 01.01.2024 to 01.08.2025

Revenues

<u>Income</u>		\$ 0.00
<u>Currency Exchange - GAINS</u>	\$ 2'346.11	
<u>Donations</u>	\$ 17'900.48	
<u>Grants</u>	\$ 58'888.86	
<u>Services & Sales</u>	\$ 0.00	
Total Revenue		\$ 79'135.45

Expenses

<u>Expenses</u>		\$ 0.00
<u>Contractors</u>	\$ 213.00	
<u>Currency Exchange - LOSSES</u>	\$ 39.17	
<u>Fees</u>	\$ 103.96	
<u>Info-Materials</u>	\$ 0.00	
<u>Labor Costs</u>	\$ 0.00	
<u>Expenses</u>	\$ 282.52	
<u>Expenses - Food Supplies</u>	\$ 3'214.30	
<u>Other</u>	\$ 100.00	
<u>Salaries</u>	\$ 44'290.00	
<u>Social Security</u>	\$ 6'192.57	
<u>Material Costs</u>	\$ 0.00	
<u>Materials</u>	\$ 8'129.13	
<u>Transportation</u>	\$ 261.38	
<u>Other Expenses</u>	\$ 253.00	
<u>Tools and Equipment</u>	\$ 1'151.27	
Total Expenses		\$ 64'230.30

Net income for Period \$ 14'905.15

Balance Sheet 01.08.2025

Assets

<u>Assets</u>		\$ 0.00
<u>Current Assets</u>		\$ 0.00
<u>Árbol co(n)razón Checkings</u>	\$ 69.56	
<u>Cristian Checkings</u>	\$ 924.25	
<u>Finca Sagrada Checkings</u>	\$ 17'408.79	
<u>Imbalance-USD</u>		\$ 0.00
Total Assets		\$ 18'402.60

Liabilities

<u>Liabilities</u>		\$ 0.00
<u>Borrowings</u>		\$ 0.00
Total Liabilities		\$ 0.00

Equity

<u>Equity</u>		\$ 0.00
<u>Opening Balances</u>	\$ 3'497.45	
Retained Earnings		\$ 14'905.15
Total Equity		\$ 18'402.60

Total Liabilities & Equity		\$ 18'402.60
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