



## Darwin Initiative Annual Report



### Darwin Project Information

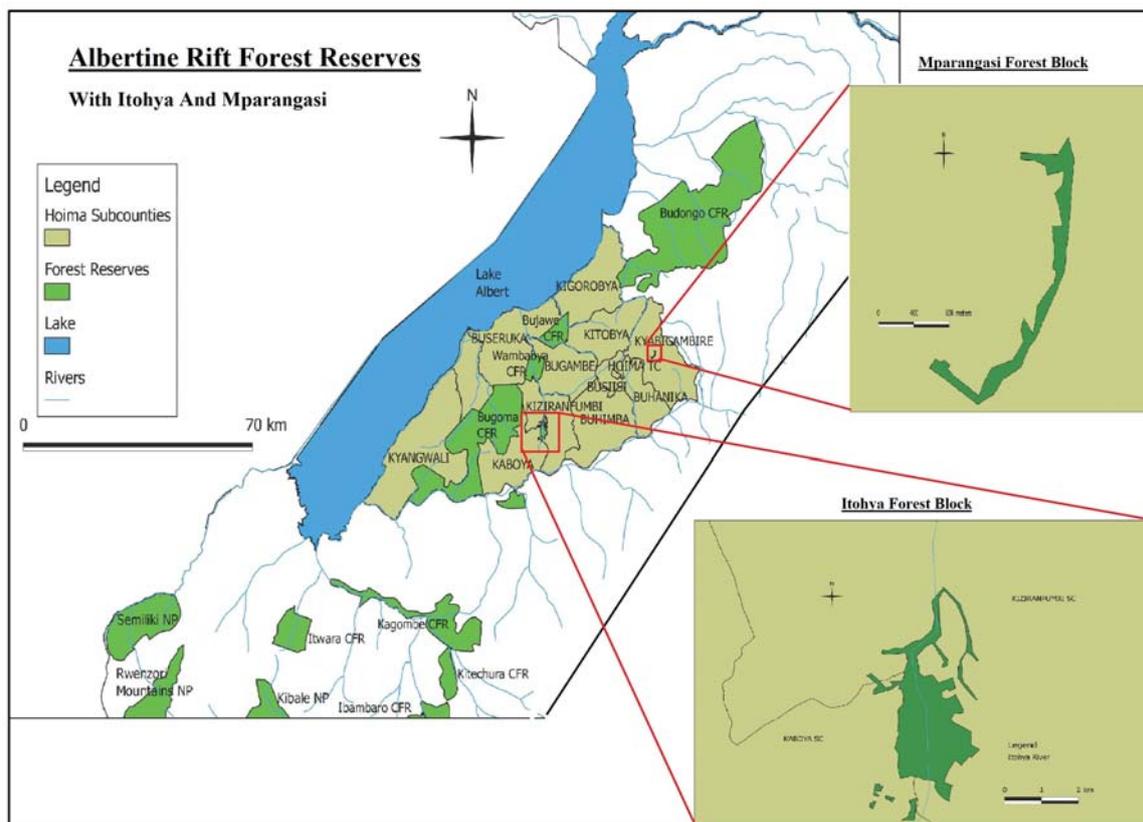
Project Ref Number	18-012
Project Title	Paying local communities for ecosystem services: The Chimpanzee Conservation Corridor
Country(ies)	Uganda
UK Contract Holder Institution	IIED
Host country Partner Institution(s)	Chimpanzee Sanctuary & Wildlife Conservation Trust
Other Partner Institution(s)	NAHI, WCS
Darwin Grant Value	£199,848
Start/End dates of Project	1st April 2010 to 31st March 2013
Reporting period and annual report number (1,2,3..)	1 <sup>st</sup> April 2010 to 31 <sup>st</sup> March 2011 AR 1
Project Leader Name	Maryanne Grieg-Gran
Project website	<a href="http://www.iied.org/sustainable-markets/key-issues/environmentaleconomics/paying-local-communities-for-ecosystem-services">http://www.iied.org/sustainable-markets/key-issues/environmentaleconomics/paying-local-communities-for-ecosystem-services</a>
Author(s) and main contributors, date	Maryanne Grieg-Gran, Paul Hatanga and Lilly Ajarova

### 1. Project Background

This project aims at enhancing conservation in production landscapes in western Uganda through a payment for ecosystem services scheme. Uganda is exceptionally rich in biodiversity and specifically has more species of primates than anywhere else on Earth of similar area. It is particularly noted for its chimpanzee population, estimated at approximately 5,000 individuals. But the survival of chimpanzees throughout Uganda is under threat because of the bushmeat trade; habitat loss and fragmentation due to agriculture and human settlement; and conflicts with farmers. At the heart of this problem is the fact that most farmers do not see chimpanzees and the conservation of forest habitats as a contribution to their livelihoods but rather as a threat. CSWCT recognises the need to tackle the problem at source by developing schemes that appropriately compensate farmers and provide tangible incentives for conservation. Biodiversity loss in Uganda is particularly acute outside of protected areas, on private and communal lands, which represent 70% of the country's forested land. Communities living in these non-regulated forest lands depend on forest resources for firewood, building materials, medicinal plants but are faced with more immediate livelihood needs, prompting over-exploitation. While only 15% of forest in reserves is degraded, 50% of all the tropical high forest on private land is degraded.

To reduce these threats to chimpanzees and biodiversity more generally, this project is designing and implementing a PES scheme to provide incentives to individual landowners to conserve and restore forest habitats important for chimpanzees and other components of biodiversity. A complementary project, funded by GEF, is exploring the use of randomised evaluation methodology as a means for assessing the effectiveness of PES. This complementary project is providing the funds for the payments for a period of two years and covering the cost of a detailed socioeconomic and forest baseline and follow-up survey for a randomly selected treatment group (villages participating in the PES scheme) and control group. This randomised evaluation is being led by a team of specialists in randomised evaluation from Stanford University and Innovations for Poverty Action (IPA) Uganda (referred to as the evaluation team from here on).

The project originally aimed to focus on an area of private and communal land between the Budongo and Bugoma forest reserves in Hoima District as shown in the map below. As a result of a request from the evaluation team to increase the size of their sampling, the PES scheme will now extend into Kibaale District.



## 2. Project Partnerships

Over this year, the partnership between IIED and CSWCT has developed well. There have been three visits made to Uganda by the IIED project leader as well as some teleconferences to help plan activities and discuss progress. During these visits, links with other IIED projects and partners have been facilitated. As a result, CSWCT was invited to participate and present on the project in a workshop of IIED's Poverty and Conservation Learning Group on Great Ape Conservation and Poverty in Masindi, Uganda in November. CSWCT was also linked up with researchers at the Faculty of Forestry and Natural Resources at Makerere University who are collaborating with IIED on a Norad-funded project on REDD.

The Darwin funding has enabled CSWCT to hire a new Field Officer, Phillip Kihumuro, to assist the project manager, Paul Hatanga, who is fully funded under the complementary GEF project on randomised evaluation. Both are based in Hoima District. Lilly Ajarova, Director of CSWCT is also partly funded by the Darwin project, allowing her to give active support and supervision to the Hoima-based team and to liaise with Kampala-based project partners.

The inception workshop in June 2010, organised by CSWCT, revealed that a number of potentially complementary activities are being conducted by other NGOs and private sector in the Northern Albertine Rift area. In July, CSWCT organised a meeting to explore further possible linkages. Participants included conservation organizations, private sector and government representatives from Ministry of Water and Environment and National Environment Management Authority. The meeting provided an opportunity to know what each partner is undertaking in the area and how this project could link to what is already going on. CSWCT is now in regular contact with the other organisations working in the area. An Albertine Rift Forest Carbon working group has been formed and regular meetings are held to ensure coordination of effort.

As a result of these new contacts and to avoid duplication with the GEF project, some changes have been made in the local partnerships. Most notably, the Wildlife Conservation Society (WCS), Uganda was brought into the project to conduct a comprehensive survey of mammals and birds in the project area. As the PES training to be conducted by the Katoomba Group was fully funded by the GEF project, this freed up Darwin funds to support the wildlife survey. In addition, co-funding for this survey was provided by CSWCT and the Jane Goodall Institute (JGI).

The Nature Harness Initiative (NAHI) is playing an important role in the project in advising on the forest management practices that will be covered under the PES scheme and in the design of the compliance monitoring programme.

The National Environment Management Authority (NEMA) plays a facilitating role, linking the project with the complementary GEF project. In particular it convenes a technical steering committee with representatives from government agencies and local institutions to discuss project progress and advise on key issues. As NEMA is the CBD focal point for Uganda, this strong involvement of NEMA makes for good links with the CBD agenda.

### 3. Project progress

#### 3.1 Progress in carrying out project activities

Planning and coordination

##### 0.1 Partners' inception and planning workshop

The inception workshop for this project, organised by CSWCT, was held in mid-June in conjunction with the complementary GEF project on randomised evaluation of PES. The Darwin support made it possible for the workshop to be held in Hoima and to incorporate a field trip. This gave participants the opportunity to visit the area where the payment scheme will be implemented and to see some of the pilot activities initiated by CSWCT. These include agreements with landowners to refrain from timber harvesting in exchange for assistance with livestock rearing and beekeeping. The workshop focused on introducing the project, sharing the work-plan and generating input on ongoing initiatives that will impact on the project implementation. The 36 participants in the workshop included local traditional leaders, representatives of local government, national government (National Environment Management Authority and the National Forest Authority) and other NGOs working in the Northern Albertine Rift area as well as the partners in the Darwin and GEF projects. Maryanne Grieg-Gran and Essam Yassin Mohammed from IIED participated in the workshop, making a presentation on PES experience in other countries.

Output 1 PES scheme designed and piloted in participatory process with local communities to be compatible with and enhance local livelihood strategies

##### 1.1 Draw up land management plans for existing forests, restoration of degraded forests and on-farm tree cover with participation of local communities

Existing forests in the project area were categorized as degraded and relatively intact depending on the level of encroachment. NAHI, drawing on its previous work with landowners in the area has prepared a report with recommended interventions to include in management plans for these intact and degraded forest patches (report attached). The project partners discussed this report in early March and narrowed down the interventions that could be included in a payment contract as outlined in the table below. These and other aspects of the payment scheme were discussed in consultations with landowners in four villages. Consultations in further villages will be held in Year 2.

Intact	Degraded
Regulated harvesting >50 cm dbh	No harvesting > 50 cm dbh
No harvesting of immature trees >10 < 50 cm dbh	No harvesting of immature trees >10 < 50 cm dbh
No new clearing of forest for cultivation (plus settlement or other use )	No new clearing of forest for cultivation (plus settlement or other use)
Reforestation in recently cleared gardens in the forest	Reforestation in recently cleared gardens in the forest

## 1.2 Determination of appropriate payment packages based on opportunity cost analysis, participatory research and choice modelling surveys

The original intention was to consider both cash and in-kind payments and to consult with landowners on what would be most preferred. However, CSWCT has gained experience with in-kind payment schemes, mentioned in Activity 0.1, and has learnt that the logistical requirements are considerable. For reasons of practicality therefore, it was agreed that the scheme would be based on cash payments only, although tree seedlings would be provided for reforestation. Some rough estimates of opportunity cost made by the Evaluation team drawing on pre-testing of their baseline questionnaire suggested a range of (50,000-70,000 Uganda shillings) per hectare per year. In March 2011, we consulted forest owners in four villages on this level. While the overall feeling was that the amount was low, there was still interest in participating in the scheme. We also made estimates of the likely carbon revenue based on carbon figures from the biodiversity survey study conducted by WCS in November and December 2010. These indicate that the range used in the consultations with the four villages is near the ceiling implied by the carbon market and that it would be risky to raise the payment level at this stage.

## 1.3 Review of options for institutional framework for the scheme including, managing organization, roles and responsibilities and operational procedures

The design of the scheme is being done through partner consultations and by obtaining input from the technical-committee convened by NEMA. CSWCT will manage the scheme initially but will out-source some key functions such as transfer of the payments to forest landowners. In the long term if the scheme is scaled up it may look to transfer responsibility to another organisation. Forest owners from four villages have been consulted on some aspects of the design process but a more comprehensive consultation phase is planned in early start of the second year.

In addition to the aspects covered in the 1.1 and 1.2, progress was made on three main aspects of the scheme: the agreement or contract with landowners, the mechanism for transferring the payments to the landowners and the approach to compliance monitoring.

**Contract drafting:** The activity commenced with a review of contracts used in other PES schemes. Following discussion with CSWCT and the project leader, a lawyer drew up a draft that was circulated to partners for comments. The general feeling was that this draft was too complex and could be intimidating for landowners. It was agreed to shorten it, including just three or four clear conditions (as set out in 1.1) and in a separate forest management plan draw up a set of best practices. On NAHI's advice it was decided also to follow the approach of ECOTRUST, which runs voluntary carbon projects based on reforestation, and invite landowners to fill in an application form before giving them a contract. This would help to ensure that landowners' participation was voluntary. The draft contract has been condensed into a shorter version by IIED and is under discussion (available on request). It will be finalised following the consultations with the landowners in the first half of Year 2.

**Mechanism for transferring the payments:** Two options have been explored, transfer by a bank in cash or through deposits in savings accounts; or transfer by a mobile phone operator. Discussions were held with a major Ugandan bank, Post Bank Uganda Limited, and a leading mobile phone company in Uganda, MTN Uganda Limited. Proposals were received from both, following visits to the area. A final decision will be made in Year 2.

**Compliance monitoring:** During the project leader's third visit in March 2011, at the time of the consultations, options and arrangements were discussed by the project team together with NAHI and the Evaluation team. With the activities to be paid for under the scheme defined in broad terms, it was possible to determine the monitoring requirements and the extent to which site visits would be necessary as opposed to remote sensing. Given the scale of forest landholdings, many of which are less than one hectare, and the nature of the activities to be paid for, which involve sustainable use of forest resources as well as a simpler no forest clearing restriction, it was recognised that monitoring needed to be based on site visits. The decision was taken to train community members to do the monitoring, building on CSWCT's experience with training of community chimp monitors (who conduct mammal surveys and chimpanzee nest counts, deal with human and chimpanzee conflicts and report human activities that impact on forest habitats).

The current proposal is to have one monitor for every five villages in the payment scheme. These would draw sketches with the landowner of the standing forest and recently cleared gardens, conduct a basic inventory of trees of different sizes and work out the area of standing forest using GPS equipment. They would visit each forest landowner in their designated five villages periodically to check compliance with the contract conditions. The monitors would be randomly checked by CSWCT to ensure quality of monitoring. Refining of the proposed monitoring approach is planned early in the second year after trials in the test villages.

#### 1.4 Consultations with landholders on land management plans, payment packages, and the institutional framework

Timing of the consultations with landholders has been complicated first by the need to wait till after the national elections and second by the requirements of the randomised evaluation. To avoid raising expectations unduly, CSWCT and IIED did not feel it was appropriate to consult with forest landowners until we knew that their village had been selected for the payment scheme. The evaluation team did not want to make the random selection of the villages to be in the PES scheme and in the control group until they had carried out the baseline social survey and forest survey of both groups of villages. This way they could be sure that the state of forests and landowner responses to the baseline questionnaire would not be influenced by landowner awareness of the PES scheme. They also felt it important to minimise the time that elapsed between the baseline survey and the issuing of contracts, so that the information collected would remain valid. This would have reduced the scope for consultations with the landowners on the design of the payment scheme.

As a compromise it was agreed to start consultations with four villages that would be part of the PES scheme but would not be included in the evaluation. This consultation was carried out in March, involving 60 forest landowners. Topics included landowners' assessment of the gap between the current state of their forests and the state that they would like, identification by the landowners of the measures needed to bring forests to the desired state, and landowner reactions to the broad design options for the payment scheme such as activities that would be paid for, payment level and frequency. Consultations with other villages in the payment scheme will be conducted in Year 2 after the evaluation team has carried out a baseline survey and randomly selected the villages that will be in the payment scheme.

#### 1.5 Finalize design of payment scheme following community consultations

This activity will be completed in the first half of year 2, once community consultations have been concluded.

#### 1.6 Conduct capacity needs assessment and design training programme for landholders

This is now scheduled for Year 2 and subject to the outcome of the further consultations is likely to focus initially on reforestation as this is the main new activity that is being paid for under the PES scheme.

#### 1.7 Pursue partnerships with NGOs and government agencies to fill these training needs

This activity was scheduled for Year 2 but CSWCT's participation in the Albertine Rift Forest Carbon Working Group has enabled it to identify training activities being conducted by other organisations, e.g. trainings in monitoring (JGI). Over the next year opportunities for harmonizing training efforts will be explored.

### Output 2 Systems for valuing and monitoring ecosystem services and livelihood benefits

The activities under this output for Year 1 (2.1 to 2.8) were mostly aimed at generating the information and conducting analysis necessary on potential socioeconomic and ecological impacts of the PES scheme to prepare the documentation required for validation under CCBS and the Verified Carbon Standard (VCS). It was envisaged that this analysis would draw on the baseline survey of socioeconomic conditions and forest quality being conducted by the Evaluation team. However, it was realised in early discussions of the project team that this baseline survey would not address species populations. The decision was taken therefore to work together with the Wildlife Conservation Society (WCS) to conduct a biodiversity survey to fill this gap.

#### 2.1 Technical studies on current biodiversity and ecosystem services in the area and key drivers and threats

The biodiversity survey involved one month of data collection in Bugoma and Budongo wildlife corridor. The reason we engaged Wildlife Conservation Society (WCS) to undertake this activity was to build on similar estimations they had conducted south of Bugoma forest; mainly in Kibaale and Kyenjojo districts, as part of the UNDP/GEF WWF implemented Conservation of Biodiversity in the Albertine Rift Forests of Uganda Project. The data collection covered 114 censuring points from forest patches in Nkusi, Wambabya and Waki catchments selected using a stratified systematic design aided by DISTANCE 6.2 software (Thomas, *et al.*, 2009). These points were spaced at a distance of 1 km and were randomly allocated to each of the four habitat types derived from the land cover map in possession by WCS. These

four habitat types: mature tropical high forest, degraded tropical high forest, woodland and grassland were assessed for mammal, bird and carbon stocks.

The analysis shows that many species found in protected areas are also using the private forests. These particularly include mammal species like Chimpanzees and birds like tauracos and hornbills and a few raptors. The Ugandan mangabey originally recorded in Bugoma CFR only was also recorded in corridor patches of Itohya and Ijumangabo river.

#### Activities 2.2 - 2.8

This initial collaboration with WCS led to discussion about further collaboration on development of a carbon project and documentation necessary for validation and certification to recognized standards i.e. Activities 2.2. to 2.8. WCS has been working with WWF to draw up a project design document (PDD) for a forest carbon project for the whole of the Northern Albertine Rift landscape. Rather than draw up a separate PDD for the area covered by the PES scheme, the aim will be to ensure that the PDD captures the key features of the area covered by the PES scheme and the activities conducted for the design including the consultations with landowners. We will concentrate the Darwin funds on reviewing and adding to the document produced by WCS. This review will be carried out by NAHI. This was envisaged to be completed in year 1, but there has been some delay on the part of WCS to complete a draft PDD. This review is now scheduled for the first half of year 2 when there will also be information available from the baseline survey.

#### Output 3 Secure finance

Activities under this output were not scheduled to start until Year 2 but opportunities arose to move forward on this. In particular, steps have been taken to position the project as part of a broader programme for the Northern Albertine Rift to be ready for emerging REDD financial mechanisms. CSWCT's participation in the Forest Carbon working group is important in this regard.

IIED and CSWCT were approached by the Cambridge Programme on Sustainability Leadership, who were preparing a feasibility study for Barclays Bank on opportunities for mitigation activities in smallholder agriculture. We were invited to submit a proposal for support for inclusion in the feasibility study. A concept note was prepared and submitted as part of a proposal for the whole Northern Albertine Rift in conjunction with WCS. The feasibility study is confidential so the concept note can not be made available at this point.

CSWCT has also had discussions with Tullow Oil Uganda office about the possibility of support to the PES scheme.

### **3.2 Progress towards Project Outputs**

**Output 1** PES scheme designed and piloted in participatory process with local communities to be compatible with and enhance local livelihood strategies

Considerable progress has been made but the project is not as far advanced as envisaged. There were delays in the first half of the year partly because of a proposal from the team involved in the randomised evaluation project to increase the size of the payment scheme. They were concerned that the size envisaged in the proposal was too small to address leakage and spillover effects with sufficient statistical power. The budgetary and practical implications of this had to be examined and work could not start on technical studies and consultations with landholders until this was resolved. In the second half of the year, it was considered prudent to wait till after the national elections in February to discuss potentially sensitive issues such as payments and contractual relationships with landowners.

Consultations with landholders have been initiated with four villages that will be in the PES scheme but not in the evaluation. This has enabled some progress to be made with broad features of the design of the scheme and determination of the land management practices that the scheme will pay for. Consultations with further villages to be in the PES scheme will be conducted over the first half of Year 2, first in 10 villages where the PES scheme will be piloted first, then in remaining villages in Hoima District and finally in Kibaale District.

Measurable indicators that apply to year 1 are the payment packages for conservation, restoration and on-farm tree cover agreed with community organisations and landholders; creation of an intermediary organisation to administer the scheme; and capacity needs assessment conducted and training programme for landholders designed.

Progress against the first indicator is demonstrated by attached reports on land management practices, report on the pilot consultations (available on request) and the draft agreement with landholders (available on request). The assumption that landholders are willing to participate and are receptive to changing practices holds true, judging by the outcome of the four villages consulted so far. We are not yet in a position to judge the willingness of community organisations to participate and mobilise landholders but initial indications such as attendance of local community leaders in PES training are promising.

There has been progress against the second indicator in that CSWCT has taken on management of the scheme in the pilot phase and has taken steps to outsource functions such as payment transfer for which it is not well-equipped. However, the indicator could be more appropriately worded as 'Intermediary organisation designated to manage the scheme, outsourcing key functions as appropriate'.

Progress against the third indicator has been held up because of the limited consultations so far, but the main training need, reforestation, has been identified, and will be the focus of training programmes and technical assistance in Year 2.

**Output 2** Rigorous systems in place to value, monitor and estimate the ecosystem services benefits and livelihood benefits to be provided by the scheme and allow subsequent impact evaluation

The main aim is to have sufficient elements in place to meet the requirements of recognised validation and certification schemes. As this is a rather costly process, it does not make sense to carry this out for the current size of the PES scheme. Even though the number of landholders and villages involved is large in comparison to existing PES schemes, the area of forest and hence volume of potential emission reductions is small. For this reason we are seeking to cooperate with WCS on a PDD for the whole Northern Albertine Rift rather than prepare a separate one for the PES scheme. This will be completed in the first half of Year 2. The assumption that there is sufficient information so far holds true.

**Output 3.** Finance secured from ecosystem service markets/buyers to cover payments in pilot phase and to ensure continuity of payments

No activities under this output were planned before second half of Year 2. However, it was considered important to take up the opportunity to form part of the feasibility study for Barclays. Whatever the outcome, the exercise has been useful in showing the challenges for the scheme with its preponderance of small-scale landholders of achieving long-term financial viability and in attracting carbon buyers, as in many cases these are looking for large volumes of emission reductions. The assumption that donor funds will part cover payments in the pilot phase holds true as the GEF project is covering payments for two years.

**Output 4.** Project lessons in using PES to deliver multiple benefits communicated nationally and internationally for wider replication

No activities were scheduled for this year under this output.

### 3.3 Standard Measures

**Table 1 Project Standard Output Measures**

Code No.	Description	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Total to date	Number planned for this reporting period	Total planned from application
Established codes								
8	Weeks spent by IIED staff on project work in Uganda	3					2	6
23	Value of resources raised from other sources for project work (cash)	£6,333						£20,000
New -Project specific measures								

**Table 2 Publications**

Type (eg journals, manual CDs)	Detail (title, author, year)	Publishers (name, city)	Available from (eg contact address, website)	Cost £

**3.4 Progress towards the project purpose and outcomes**

Progress has been slower than envisaged because of the challenges of coordinating with the randomised evaluation project, the need to delay consultations with landowners until after the national elections, and the inherent challenges of dealing with a large number of landholders with very small areas of forest and without formal title. But the project is on track to meet its purpose. The payment scheme will be rolled out over the first half of Year 2 providing the basis for reports on mechanism development and lessons learned in Year 3. The first assumptions about continued government support to PES still holds true as NEMA is actively involved. It is too soon to assess the validity of the second assumption on willingness of ecosystem service buyers to commit funds to enable payments to continue. However, the interest already expressed by buyers and the momentum behind a national level REDD programme is promising.

**3.5 Progress towards impact on biodiversity, sustainable use or equitable sharing of biodiversity benefits**

The main progress has been the completion of the biodiversity survey which assessed mammal, and bird populations and well as estimating carbon stocks. This will provide a very good basis for assessing trends in biodiversity as the payment scheme gets underway.

**4. Monitoring, evaluation and lessons**

Project progress over the last year has been monitored through partners' meetings during visits of the project leader to Uganda or in conference calls. The emphasis has been on assessing whether activities are on schedule and on identifying changes in activities that need to be made in the light of new developments. Additionally, NEMA's Technical Steering Committee has been instrumental in linking the project to national and local processes.

The main lesson learned from this year's work is that developing a PES scheme to connect forest fragments presents particular challenges of small forest landholdings and high transaction costs. Ensuring long-term financial sustainability through committed buyers of ecosystem services and carbon credits certified under a recognised system will require either aggregation into a larger scheme for the whole Northern Albertine rift or else consideration of more community-oriented carbon standards such as Plan Vivo. These options will be explored in Year 2 and 3.

**5. Actions taken in response to previous reviews (if applicable)**

Not applicable

**6. Other comments on progress not covered elsewhere**

The project faces a number of risks but two that apply particularly to PES can be singled out. The first is that the payment scheme may not be sufficient to induce landholders to participate and/or to change their practices. The result would be that conservation effectiveness is reduced and the biodiversity goal would not be reached. This will be assessed through the baseline and follow-up surveys of villages participating in the PES scheme and of villages in a control group to be carried out under the GEF-funded randomised evaluation project. In the Darwin project we will try to reduce this risk by building up trust with the landholders through consultation on the design of the scheme and by developing an effective compliance monitoring scheme. The training of community monitors will be an important aspect of this.

The other main risk is that the scale of the project and the small size of forest landholdings will make it difficult to achieve financial viability and a long-term source of revenue once the GEF funding for payments finishes (see discussion below under Sustainability).

## 7. Sustainability

In a rapidly changing policy environment in relation to REDD, it is inadvisable to lock into a specific exit strategy and some flexibility is needed. The key requirement will be a long-term, permanent source of financing so that the payment scheme can continue after the GEF money ceases.

One option for an exit strategy is to pursue a partnership with other organisations working in the Northern Albertine Rift area to develop a large scale REDD project, with livelihood and biodiversity co-benefits. Depending on how REDD develops in Uganda, funding for the payment scheme could be through a national REDD programme or through a separate REDD or voluntary carbon project.

## 8. Dissemination

Dissemination of the project has been conducted through the inception workshop, and more informally through subsequent meetings of the Forest Carbon working group. It has also been presented in international meetings such as that organised by IIED's Poverty and Conservation Learning Group initiative, on Great Ape Conservation and Poverty.

## 9. Project Expenditure

**Table 3 Project expenditure during the reporting period (Defra Financial Year 1 April 2010 to 31 March 2011)**

Item	Budget (revised budget submitted with change request in 2010)	Expenditure	Variance
Rent, rates, heating, overheads etc			
Office costs (eg postage, telephone, stationery)			
Travel and subsistence			
Printing			
Conferences, seminars, etc			
Capital items/equipment (specify)			
Others (field expenses)			
Salaries (specify by individual)			
<i>Maryanne Grieg-Gran</i>			
<i>Essam Emnay</i>			
<i>Kate Lee</i>			
<i>Lilly Ajarova</i>			
<i>Philip Kihimuro</i>			
<i>Ramulat Andiru</i>			
<i>Wildlife specialist</i>			
<i>B. Biryawaho</i>			
<i>Field staff</i>			
TOTAL			

**10. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes**

[I agree for LTS and the Darwin Secretariat to publish the content of this section](#) (please leave this line in to indicate your agreement to use any material you provide here)

CSWCT can provide photographs of forest landowners, consultations with landowners, forests and wildlife at the project site. Please contact Lilly Ajarova

## Annex 1 Report of progress and achievements against Logical Framework for Financial Year: 2008/09

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
<p><i>Goal: To draw on expertise relevant to biodiversity from within the United Kingdom to work with local partners in countries rich in biodiversity but constrained in resources to achieve</i></p> <p><i>The conservation of biological diversity,</i></p> <p><i>The sustainable use of its components, and</i></p> <p><i>The fair and equitable sharing of the benefits arising out of the utilisation of genetic resources</i></p>		<p><i>Biodiversity study conducted in the project area</i></p>	<p><i>(do not fill not applicable)</i></p>
<p>Purpose</p> <p>To design, test and establish an effective equitable and financially sustainable payment scheme to compensate local landholders for conserving and restoring forest habitats in order to protect chimpanzee populations and other components of biodiversity as well as demonstrate the effectiveness of PES.</p>	<p>Financial budgets and reports on mechanism development and implementation</p> <p>Lessons documented are cited by Government of Uganda, and NGOs in developing other PES and REDD schemes</p>	<p>Biodiversity study conducted, options for design aspects of the payment scheme identified and reviewed, consultations with landowners conducted in four villages, initiation of contacts with potential buyers.</p>	<p>Consultation with landowners to finalise design of payment scheme</p> <p>Roll out of the payment scheme in 70 villages</p> <p>Discussions with potential ecosystem service buyers and sources of finance</p>
<p>Output 1. PES scheme designed and piloted in participatory process with local communities to be compatible with and enhance local livelihood strategies</p>	<p>Payment packages for conservation, restoration and on-farm tree-cover informed by participatory research agree with community organisations and landholders</p> <p>Intermediary organisations created to administer the scheme and manage the funds</p> <p>Capacity needs assessment conducted and training programme for local landholders designed and implemented</p>	<p>Identification of a set of forest management interventions that would form the basis of the PES scheme</p> <p>Preliminary estimates of the payment level and review of options for scheme design</p> <p>Consultations in four pilot villages</p> <p>Further consultations, finalisation of payment scheme design and initiation of payments in Year 2.</p>	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Activity 0.1 Partners' inception and planning workshop		Workshop held in June 2010 in conjunction with GEF project on randomised evaluation and involved visit to project site. Partners' review meeting to be held in July 2011	
Activity 1.1, Draw up land management plans with participation of local communities		Report on land management practices prepared by NAHI, narrowed down by the project team to a priority set of actions which were discussed in 4 villages (53 landowners).	
Activity 1.2 Determination of appropriate payment packages based on opportunity cost analysis, participatory research and choice modelling		Rough estimate of the payment level based on opportunity cost discussed with landowners in four villages (60 landowners). Estimates made of the maximum payment level implied by participation in the voluntary carbon market.	
Activity 1.3 Review of options for institutional framework for the scheme		Draft contract for landowners drawn up, discussed and revised. Two options for transfer of payments explored through discussion with and receipt of proposals from a major Ugandan Bank and a leading mobile phone operator. Design of a compliance monitoring system based on community monitors	
Activity 1.4 Consultation with landholders on land management plans, payment packages and institutional framework		Consultations conducted in 4 villages (53 forest landowners). Further consultations scheduled for Year 2 after randomised selection of villages in the payment scheme and baseline survey completed.	
Activity 1.5 Finalise design of payment scheme following community consultations		Scheduled for Year 2 after completion of community consultations	
Activity 1.6 Conduct capacity needs assessment and design training programme		Scheduled for year 2 following randomised selection of payment scheme villages and consultations	
Activity 1.7 Conduct training and pursue partnerships with NGOs		Year 2: Will focus on reforestation	
Activity 1.8 Draw up agreements with landholders and community organisations		Year 2: Agreements preceded by application forms to be offered to landholders in staged process, from June onwards	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Activity 1.9 Monitor compliance with agreements and make payments		Year 2: To start in second half of the year once villages have been brought into the scheme. Monitoring likely to be on three monthly basis	
Activity 1.10 Follow up technical support and training for landholders		Year 2: Will depend on design of programme in 1.6 and will also build on community monitoring programme	
Output 2. Rigorous systems in place to value, monitor and estimate the ecosystem services benefits and livelihood benefits to be provided by the scheme and allow subsequent impact evaluation.	<p>Project design documents incorporating baseline for carbon and biodiversity in accordance with requirements of main actors: CCBA, VCS and emerging REDD finance streams</p> <p>Monitoring programme for carbon, biodiversity and other ecosystem service designed and implemented</p> <p>Baseline assessment of livelihood conditions of target population for PES</p>	Biodiversity study conducted in collaboration with WCS. Project design documents for developing a voluntary carbon project to be integrated in a broader programme prepared by WCS for the Northern Albertine Rift.	
Activity 2.1. Technical studies on current biodiversity and ecosystem services in the area and key drivers and threats		Biodiversity survey conducted by WCS covering birds and mammal species as well as estimating carbon stocks.	
Activity 2.2. - 2.8 (Studies needed to estimate carbon, biodiversity and socioeconomic impact of the PES scheme for purpose of validation and certification)		To be integrated with WCS preparation of PDD for whole Northern Albertine Rift, adding in key features of the area covered by the PES scheme. Scheduled for Year 2.	
Activity 2.9 Design a monitoring programme		Scheduled for Year 2 and will build on the community monitoring system for monitoring contract compliance	
Activity 2.10 Prepare project design document and seek validation under CCBS and certification with internationally recognized carbon schemes		Year 2: To be integrated with WCS preparation of PDD for whole Northern Albertine Rift. More community-oriented alternatives to VCS such as Plan Vivo to be examined.	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Activity 2.11 Implement monitoring programme		Year 2: building on community monitoring programme	
Output 3. Finance secured from ecosystem service markets/buyers to cover payments in pilot phase and to ensure continuity of payments	Transfers of finance from and commitments from buyers	<p>Contacts with potential buyers/sources of finance initiated directly and indirectly through inclusion of a concept note for the Northern Albertine Rift in a feasibility study on carbon finance prepared for Barclays by the Cambridge Programme for Sustainability Leadership.</p> <p>In Year 2 further work on joint concept notes for potential buyers in voluntary carbon and biodiversity markets and National REDD programme</p>	
Output 4. Project lessons in using PES to deliver multiple benefits communicated nationally and internationally for wider replication (e.g. national REDD strategy, international climate negotiations on REDD, CBD )	National and international presentations Media communications	Communications to start once PES scheme is implemented in Year 2	

## Annex 2 Project's full current logframe

### LOGICAL FRAMEWORK (Changes in bold)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Goal:</p> <p>Effective contribution in support of the implementation of the objectives of the Convention on Biological Diversity (CBD), the Convention on Trade in Endangered Species (CITES), and the Convention on the Conservation of Migratory Species (CMS), as well as related targets set by countries rich in biodiversity but constrained in resources.</p>			
<p>Sub-Goal:</p> <p>Conservation of chimpanzee populations and their habitats in private and communal forests in Hoima District through the introduction of appropriate payment mechanisms which make conservation a viable livelihood option for local communities</p>	<p>Number of chimpanzees in corridor stabilise or increase</p> <p>Satellite and ground surveys show reduced forest loss and recovery</p> <p>Livelihood benefits and behaviour change from PES</p>	<p>Project reports on monitoring of chimpanzee populations</p> <p>Project reports as well as forest coverage, quality and type</p> <p>Evaluation research on impacts of PES in complementary project</p>	
<p>Purpose:</p> <p>To design, test and establish an effective, equitable and financially sustainable payment scheme to compensate local landholders for conserving and restoring forest habitat in order to protect chimpanzee populations and other components of biodiversity as well as demonstrate the effectiveness of PES.</p>	<p>Financial budgets and reports on mechanism development and implementation</p> <p>Lessons documented are cited by Government of Uganda, and NGOs in developing other PES and REDD schemes</p>	<p>PES mechanism reports</p> <p>Government communications and press releases on PES and REDD</p> <p>Press outreach (no. Media "hits")</p>	<p>The Government of Uganda (GoU) continues to support PES mechanisms;</p> <p>Buyers of ecosystem services in forest carbon and emerging biodiversity markets will be prepared to make substantial commitments of funds to enable payments to continue on a sustained basis</p>

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Outputs</p> <p><b>1.PES scheme designed and piloted</b> in participatory process with local communities to be compatible with and enhance local livelihood strategies.</p>	<p>Payment packages for conservation, restoration and on-farm tree cover informed by participatory research agreed with community organisations and landholders</p> <p>Intermediary organisation designated to administer the scheme, outsourcing functions such as fund management as appropriate</p> <p>Capacity needs assessment conducted and training programme for local landholders designed and implemented</p> <p>Landholders adopt agreed land management practices</p>	<p>Socioeconomic project reports</p> <p>Agreements with community organisations</p> <p>Agreements with landholders</p> <p>Articles of association of the intermediary organization</p> <p>Agreements with service providers</p> <p>Capacity needs assessment report</p> <p>Contract monitoring report</p>	<p>Landholders are willing to participate and are receptive to changing practices</p> <p>Community organisations are willing to participate and can mobilise individual landholders</p> <p>Some capacity needs can be met through partnerships with other Government agencies and NGOs</p> <p>Funds from complementary GEFproject available to part cover payments in pilot phase and buyers secured</p>
<p>2.Rigorous systems in place to value, monitor and estimate the ecosystem services benefits and livelihood benefits to be provided by the scheme and allow subsequent impact evaluation.</p>	<p>Project design documents incorporating baseline for carbon and biodiversity in accordance with requirements of main actors: CCBA, VCS and emerging REDD finance streams</p> <p>Monitoring programme for carbon, biodiversity and other ecosystem services designed and implemented</p> <p>Baseline assessment of livelihood conditions of target population for PES</p>	<p>Lists of validated projects on the websites of organisations CCBS, VCS etc</p> <p>Monitoring plan and monitoring reports</p> <p>Socioeconomic baseline report</p>	<p>Sufficient information is available to develop credible baseline scenarios.</p>

Project summary	Measurable Indicators	Means of verification	Important Assumptions
3. Finance secured from ecosystem service markets/buyers to cover payments in pilot phase and to ensure continuity of payments	Transfers of finance from and commitments from buyers	Financial transfer documents Emission reduction purchase agreements Letters pledging support Budgets	Donor funds e.g.: from complementary GEF project will part cover payments in pilot phase  Sufficient interest for long-term financial viability from the voluntary carbon market, and REDD financial streams, as well as from emerging biodiversity markets.
4. Project lessons in using PES to deliver multiple benefits communicate nationally and internationally for wider replication (e.g. national REDD strategy, international climate negotiations on REDD, CBD )	National and international presentations  Media communications	PowerPoint presentations on partners' websites  Press releases on partners' websites.  Report in public domain, written up for academic journals	Project proceeds successfully and enables learning that are worth sharing

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p><b>Activities</b> (details in workplan)</p> <p>Planning and coordination</p> <p>Partners' inception and planning workshop</p> <p>Partners' review meeting</p> <p>0.3 Partners' meeting and review of post-project arrangements</p> <p>Design and piloting of PES scheme</p> <p>1.1 Draw up land management plans for existing forests, restoration of degraded forests and on-farm tree cover with participation of local communities</p> <p>1.2 Determination of appropriate payment packages based on opportunity cost analysis, participatory research and choice modelling surveys</p> <p>1.3 Review of options for institutional framework for the scheme including, managing organisation, roles and responsibilities and operational procedures</p> <p>1.4 Consultations with landholders on land management plans, payment packages, and the institutional framework</p> <p>1.5 Finalise design of payment scheme following community consultations</p> <p>1.6 Conduct capacity needs assessment and design training programme for landholders</p> <p>1.7 Pursue partnerships with NGOs and government agencies to fill these training needs</p> <p>1.8 Draw up agreements with landholders and community organisations</p> <p>1.9 Monitor compliance with agreements and make payments</p> <p>1.10 Follow up technical support and training for landholders during the operation of the payments</p> <p>Systems for valuing and monitoring ecosystem services and livelihood benefits</p> <p>2.1 Technical studies on current biodiversity and ecosystem services in the area and key drivers and threats</p> <p>2.2 Review methodologies for assessing impacts on biodiversity and ecosystem services including carbon, determining the most appropriate for the project site</p> <p>2.3 Formulation of a without project baseline or reference scenario of future biodiversity and ecosystem services conditions</p> <p>2.4 Estimation of the impact of the agreed land management practices on biodiversity and ecosystem services – encompassing forest habitats, chimpanzee populations, biomass and carbon stocks and other important components of biodiversity</p> <p>2.5 Study on current socioeconomic conditions including land and resource rights</p> <p>2.6 Formulation of without project reference scenario of social and economic wellbeing of local communities</p> <p>2.7 Assessment of the likely impact of the project on social and economic wellbeing of local communities</p> <p>2.8 Assessment of leakage and indirect impacts on biodiversity and ecosystem services and wellbeing of local communities</p> <p>2.9 Design a monitoring programme for carbon, biodiversity and other ecosystem services and community impacts</p>			

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p><b>Activities</b> (details in workplan)</p> <p>2.10 Prepare project design document and seek validation under CCBS and certification with internationally recognised carbon schemes e.g; VCS</p> <p>2.11 Implement monitoring programme preparing periodic monitoring reports on chimpanzee populations, forest cover, quality and other components of biodiversity and impacts on social and economic wellbeing of local communities</p> <p>Secure finance</p> <p>3.1 Prepare a project prospectus with vital information for buyers and sources of finance, detailing ecosystem service benefits</p> <p>3.2 Initiate discussions with buyers in voluntary carbon markets, voluntary biodiversity markets and emerging REDD financial mechanisms</p> <p>3.3 Promote the project to philanthropic organisations with interest in biodiversity</p> <p>3.4 Negotiate agreements with buyers and philanthropic organisations</p> <p>Information dissemination</p> <p>4.1 National workshop with government departments, NGOs and other stakeholders to present lessons from payment scheme</p> <p>4.2 Briefing on the project lessons with the Government representatives leading national REDD strategy on multiple benefits from forest carbon projects</p> <p>4.3 Presentations on the project in international meetings – UNFCCC COP and CBD</p> <p>4.4 Formulation of policy recommendations</p> <p>4.5 Documentation of project activities and production of communication materials</p> <p>4.6 Final report and project audit</p>			
<p>Monitoring activities:</p> <p>Indicator 6a Number of landholders to receive training on PES and sustainable land management</p> <p>Indicator. 6b.. Number of training weeks provided on PES and sustainable land management</p> <p>Indicator. 8 Number of weeks to be spent by UK project staff on project work in the host country</p> <p>Indicator 11a Lessons from design and implementing the PES scheme published in peer-reviewed journal</p> <p>Indicator 11b Lessons from design and implementing the PES scheme submitted to peer-reviewed journal</p> <p>Indicator 14a National workshops organised in Kampala</p> <p>Indicator 14b Presentation of the project in international meetings</p> <p>Indicator 15 Number of national press releases</p> <p>Indicator 23 Value of resources raised from IIED, CSWCT, East and Southern Africa Katoomba Group and UQAM.</p>			

## **Annex 3 Onwards – supplementary material (optional but encouraged as evidence of project achievement)**

The following documents are attached:

1. Report of inception workshop
2. Forest Management interventions recommended for the private forest owners in Hoima to implement. Draft report prepared by NAHI (photographs deleted to facilitate transmission).

The following documents are available on request:

1. Report of the consultations in four villages in Hoima and Kibaale District, March 2011
2. Biodiversity surveys of the corridor forests east of Bugoma forest reserve up to Budongo forest reserve. Andrew Plumtre, Simon Akwetaireho, Miguel Leal, Nabert Mutungire, Julius Kyamanywa, Dennis Tumuhamy, Benson Bamutura, Johnson Ayebale, and Mukundane Ronald. February 2011 Prepared by Wildlife Conservation Society for CSWCT and JGI.
3. Draft agreement to conserve and restore forest on private land - and background notes on contract conditions.

### ***Checklist for submission***

	Check
Is the report less than 5MB? If so, please email to <a href="mailto:Darwin-Projects@ltsi.co.uk">Darwin-Projects@ltsi.co.uk</a> putting the project number in the Subject line.	x
Is your report more than 5MB? If so, please advise <a href="mailto:Darwin-Projects@ltsi.co.uk">Darwin-Projects@ltsi.co.uk</a> that the report will be send by post on CD, putting the project number in the Subject line.	
Have you included means of verification? You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	x
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number.	
Have you involved your partners in preparation of the report and named the main contributors	x
Have you completed the Project Expenditure table fully?	x
Do not include claim forms or other communications with this report.	