



Darwin Initiative Main Project Half Year Report (due 31 October 2015)

Project Ref No	21008
Project Title	Reciprocal Watershed Agreements: Conserving Bolivia's Chaco through Improved Livelihoods
Country(ies)	Bolivia
Lead Organisation	Natura Bolivia Foundation
Collaborator(s)	
Project Leader	Nigel Asquith
Report date and number (e.g., HYR3)	October 16 th 2015, HYR2
Project	www.naturabolivia.org
Funder (DFID/Defra)	DFID

1. Outline progress over the last 6 months (April – Sept) against the agreed baseline timetable for the project (if your project has started less than 6 months ago, please report on the period since start up to end September).

Where the Andes Mountains meet the Chaco, extensive cattle grazing is one of the primary threats to the protection of the vegetative cover and the quality and quantity of downstream water. Cows enter forests, especially along river banks, to drink and graze, they defecate and urinate in streams, graze seedlings and compact soil. Levels of fecal coliforms in water increase, vegetation regeneration is reduced, and rainfall runs off compacted soils. This results in increased flooding and sedimentation, and dry season water flows and quality decrease.

The goal of our project is to persuade downstream water users to support alternative development projects upstream, which will allow upstream farmers to protect their forest and take their cattle out of streams. This will lead to increased upstream regeneration. With upstream forests protected, downstream areas will receive less flooding and sedimentation, and better water quality and quantity, which will in turn help improved downstream livelihoods. This will shift the local equilibrium to a virtuous cycle in which downstream users then have more resources and so more interest, in investing in upstream conservation.

Outcome: Conservation of 20,000 hectares of forest that supply water to 10,000 Bolivians, through contributions for environmental service provision to 500 poor upstream farmers

Output 1: 8 Municipal Water Conservation Funds with statutes, board gender balance

Indicator 1.1: Number of MWCF created (prior to project 2, after 8) and consolidated (prior to project 0, after 8)

Indicator 1.2: Number of women on MWCF board (prior to project 10%, after project 35%)

Building on our advances in the last reporting period, in Monteagudo we extended our two separate agreements with the Water Company and the Municipality to formalize the creation of the three-way MWCF on September 14th (decree attached). In Huacareta, in discussions with the Mayor, we determined that the water company is still too institutionally weak to be part of a three-way agreement, so rather than sign one we will simply continue with the two-way agreement we signed with the municipality in 2013, and work together to strengthen the water company. We finally signed the three-party MWCF agreement in Camiri on October 19th 2015.

Output 2: 20,000 ha of forest conserved through contracts/municipal decrees

Indicator 2.1: Hectares conserved under RWA (prior to project 0, after project 20,000)

Indicator 2.2: Number of municipal decrees (prior to project 0, after project 3)

Since the beginning of the project we have put 69,098 under conservation in five municipalities Machareti (764 ha,) Huacaya (1,945 ha), Boyuibe (1,081 ha), Cuevo (1,475 ha) and Villa Vaca Guzman (41,825 ha). These were standard RWA, agreed upon between landowners, Natura and the water providers and/or municipal governments. In addition, as part of the creation of a new 103,274 ha protected area, the Serrania de los Milagros in Huacareta, we put 22,008 ha under reciprocal watershed agreements. In summary then, we have already put under formal conservation contracts more than three times our original target.

Output 3: 500 families have signed conservation contracts and received compensation

Indicator 3.1: Number of contracts signed (prior to project 0, after project 500)

Indicator 3.2: Number of families with compensation packages (prior to project 0, after 500)

Since the start of the project 759 contracts have been signed, and 759 compensation packages have been delivered. This is more than 150% of our final target.

Output 4: 10,000 downstream water users contribute to Municipal (MWCF) funds

Indicator 4.1: Number of resolutions of water providers to either charge downstream users or to use a percentage of general funds for upstream conservation (prior to project 0, after 8)

Indicator 4.2: Number of users contributing (prior to project 0, after project 10,000)

Indicator 4.3: Annual bank transfers from water providers to MWCF accounts (prior 0, after 8)

In 2014, three water providers, representing 1,500 families, agreed to support upstream conservation (Cuevo, Boyuibe and Villa Vaca Guzman). However, each decided that rather than have a line itemed tariff increase, for now they prefer to make their contributions out of general funds. We have already received the 2015 contributions from Cuevo and Villa Vaca Guzman, and are expecting the contributions from Boyuibe soon. Also, as per their newly signed agreements, we expect that the water providers in Camiri and Monteagudo will make contributions this year.

In 2014, bank transfers were made from the funds to project beneficiaries on behalf of three water companies (Cuevo, Boyuibe, Villa Vaca Guzman) and six municipal governments (Huacaya, Huacareta, Cuevo, Boyuibe, Machareti, Villa Vaca Guzman). Given that there were presidential, state and municipal elections early in 2015, many authorities are behind on their current obligations. Thus the only transfers from the water funds to beneficiaries so far in 2015 have been from the municipalities and water companies in Cuevo, and Villa Vaca Guzman. However, we expect that most of the authorities will make their contributions before the end of the year.

Output 5: 5,000 ha under improved cattle management, honey production, fruticulture

Indicator 5.1: Number of hectares under improved management (prior 0, after 5,000)

We are measuring "hectares under improved management" in three separate ways. The most basic measure is that 69,098 ha are under private conservation agreement. An additional 103,274 ha have been decreed as new protected areas. In order to leverage more direct improvements, we have worked with project beneficiaries to enhance their ability to more effectively use their compensation "payments" to improve their livelihoods. For example in the community of Akae we have helped 72 community members use their compensation packages to rehabilitate a drip irrigation system on 2 ha so that they can now irrigate corn, watermelon, squash and tomatoes. Meanwhile, in the community of Tacuarembó we have helped 46 families build chicken coops, to provide them with an alternative income sources to the extensive cattle grazing that was previously widespread. The number of hectares that will be under improved management because of these investments has still to be precisely calculated, but we initiated the improvement process during this reporting period.

2a. Give details of any notable problems or unexpected developments/lessons learnt that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

Not applicable: we have had no notable problems or unexpected developments

2b. Have any of these issues been discussed with LTS International and if so, have changes been made to the original agreement?

Discussed with LTS: No

Formal change request submitted: No

Received confirmation of change acceptance No

3a. Do you currently expect to have any significant (e.g., more than £5,000) underspend in your budget for this year?

Yes No Estimated underspend: £

3b. If yes, then you need to consider your project budget needs carefully as it is unlikely that any requests to carry forward funds will be approved this year. Please remember that any funds agreed for this financial year are only available to the project in this financial year.

If you anticipate a significant underspend because of justifiable changes within the project and would like to talk to someone about the options available this year, please indicate below when you think you might be in a position to do this and what the reasons might be:

4. Are there any other issues you wish to raise relating to the project or to Darwin's management, monitoring, or financial procedures?

No

If you were asked to provide a response to this year's annual report review with your next half year report, please attach your response to this document.

Darwin Logo and project acknowledgment on website: We have improved our visibility processes and the Darwin logo is now on our website (www.naturabolivia.org).

Please note: Any planned modifications to your project schedule/workplan can be discussed in this report but should also be raised with LTS International through a Change Request.

Please send your **completed report by email** to Eilidh Young at Darwin-Projects@ltsi.co.uk. The report should be between 2-3 pages maximum. **Please state your project reference number in the header of your email message e.g., Subject: 20-035 Darwin Half Year Report**