



PROGRESS REPORT II

Project: *Business Planning for a New Protected Area: the Río Grande-Valles Cruceños Reserve, Bolivia*

Organization name	Fundación Natura Bolivia (Natura)
Rufford reference number	I.101
Executive Director	Maria Teresa Vargas Ríos
Project contact	Nigel Asquith
Address	C. Moldes #620, Santa Cruz de la Sierra
Country	Bolivia
Phone/Fax	+591 3 3395133
Web address	www.naturabolivia.org
Contact emails	mteresavargas@naturabolivia.org nigelasquith@naturabolivia.org

A year from receipt of the initial tranche of the Rufford Small Grants Foundation Innovation Grant, Fundación Natura Bolivia is able to report that we are well on the way to accomplishing the objectives proposed by the end of the 18 month grant period. In this progress report we consider progress towards each expected output from the project proposal.

Objective 1: Develop plan to conserve the biological diversity of the Río Grande-Valles Cruceños Reserve in order to maintain water supply and minimize the impact of future flooding

Activity 1.1: Complete basic studies of hydrology, and economics to define key areas to zone for upper watershed forest management.

In the previous progress report, presented to Rufford in September 2008, we indicated that the Aerspatial Data Collection Centre (CLAS) had conducted a study of the Río Grande region and were analyzing the data collected. That report, "Hydrological and sediment production in the Middle Río Grande Watershed", was published in December 2008 and publicly presented by CLAS in June 2009 as part of Fundación Natura's conference series. The zoning plan for the protected area was presented at the first planning workshop for the reserve in October 2008. Initially five to seven areas were identified as priority zones but in consultation with local actors the zoning has been expanded to incorporate 11 priority areas. The zoning plan is currently being incorporated into the final management plan for the area. The socio-economic report

was completed in January 2009 as a joint work by Natura and the Centre for Institutional, Human and Ecological Development (CDIHE by its Spanish acronym).

Activity 1.2: Undertake municipal meetings in the upper watershed to develop support for forest management and conservation.

As originally conceived in the proposal to Rufford, Natura was to hold three meetings with local governments and non-government organizations in six upstream and six downstream municipalities for a total of 18 meetings on each side: the goal being, respectively, to develop support for forest management and conservation in the reserve, and to build consensus about the scale of the flooding problem and potential solutions (activities 1.2 and 2.1). However, in discussions with the project partner—the Departmental Government of Santa Cruz—as well as with representatives of the reserve municipalities, it was strategically decided that a number of larger, well-organized two-day workshops with participation from the full range of stakeholders could be more effective in transmitting key messages, stimulating debate amongst those with differing interests, and creating synergies amongst future partners for the sustainable management of the reserve, than would the planned series of municipality-specific meetings. The workshops would have a specific goal—to discuss the key issues for the reserve management plan and participatively improve the draft—thereby promoting local buy-in to the process of park creation and ensuring community support for its sustainable administration in the future.

Representatives from each of the seven municipalities of the reserve—Vallegrande, Cabezas, Gutierrez, Samaipata, Pucará, Postrervalle and Moro Moro—were invited as well as representatives from non-government organizations, local community organizations, water cooperatives, municipal environmental committees and from the Protected Areas Office of the Prefecture of Santa Cruz. These joint meetings enabled us both to obtain more reliable feedback on our work on the management plan as well as to provide an opportunity whereby municipalities could interact and strengthen the relations needed to steer the reserve in the right direction.

The first workshop, held in the municipality of Vallegrande in October 2008, was used to make observations and amendments to the technical diagnostics of the reserve (biodiversity, socio-economic and tourism studies), which were presented and validated at the discussion table. Conservation targets were defined, prioritized and mapped for distribution, and the first proposal for the zoning of the reserve was submitted to debate. At the second workshop, held in the Cabezas municipality in December 2008, the sunkha palm tree (endemic to the region) was added as an important conservation target for the reserve. Anthropological threats to the conservation targets were identified, recognizing the main players and sources of pressure, and their motivations. Strategic areas for control posts and the minimum number of required staff were discussed. The zoning for biodiversity, endemic areas, watershed protection, cultural and historical value and other attractions was further discussed with participants. A third workshop was held in the city of Santa Cruz in February 2009, where the final version of the distribution map for the conservation targets, identified threats and the involved actors was presented and debated; strategies to diminish pressure from the most important threats were identified and developed; and the proposal for the reserve's basic management structure, programs,

subprograms and main projects was presented (to be worked on and consolidated in the final version of the management plan).

In April 2009 a workshop about payment for environmental services (PES) initiatives was also held with a focus on mayors, water cooperative executives and other municipal leaders, to improve existing schemes and promote the creation of new schemes in the Río Grande-Valles Cruceños Reserve and elsewhere. This event was held in Comarapa with the support of the Union of Municipalities, including four municipal governments from the Cruceño Valleys. The workshop, which was led by the mayors of the municipalities with existing PES schemes, was considered successful by organizers and participants alike. It ended with the determination of an urgent need to create a national level interinstitutional promotional and support network for the conservation of municipal water resources, with the aim to publicize, expand, improve and promote the work being done by those municipalities and water cooperatives which have implemented PES initiatives as a tool to improve the quality of life for the communities and contribute to poverty reduction. There was a particularly large contingent of representatives from the board of directors of the Samaipata water cooperative present, which has been instrumental in the creation of their PES scheme. As a result, in June 2009 the Samaipata Municipal Government, water cooperative and Natura's signed Bolivia's fourth tripartite agreement to set up a local environmental services fund.

We should also mention that in addition to the four workshops mentioned, four meetings were held to raise awareness about the creation of the reserve and its management plan in the Cabezas and Gutierrez municipalities, which have proved to be particularly sensitive in relation to the reserve. These meetings have had the desired affect however, as both municipalities have since signed documents validating the reserve and the management plan (as have all of the other reserve municipalities).

Activity 1.3: Develop protected area management plan in coordination with local authorities.

The finalization of the management plan has been delayed due to the desire of both Natura and the Santa Cruz Prefectural Government to ensure the adequate involvement of local communities in the development process. Consequently, we are currently incorporating additional data requested by local actors who participated in the workshop series held in the field to develop the plan. Before being presented once more to the municipalities for final approval, the final draft will be seen by a technical group comprised of Natura and departmental government representatives. The approved plan is expected to be launched in August 2009.

Objective 2: Improve local livelihoods through financially self-sustaining initiatives such as PES

Activity 2.1: Meetings with downstream water users and riparian farmers to build consensus about scale of flooding problem and potential solutions.

As discussed above, Natura has organized a total of four large workshops and another four municipality-specific meetings since the previous progress report, which have involved a wide range of stakeholders from both upstream and downstream communities in active debate about the future of the reserve and potential solutions. In determining conservation targets (including water and forests at the headwaters), in discussing the relationship between them and threats to these from human activity, and in later defining the reserve's mission/vision as well as the programs, sub-programs and specific projects to be developed, these workshops have enabled both upstream and downstream actors to gain a much better understanding of the problems faced by each side and of how they might work together to create solutions for a sustainable future.

Activity 2.2: Negotiate with downstream farmers to develop payment schemes.

The workshops and validation of the management plan by each municipality have enabled Natura to identify the best opportunities for the development of local PES schemes. Samaipata has created a PES initiative, with a tripartite agreement having been signed to create a funding source for environmental services payments, as mentioned above. In order to reach this agreement, Natura's field team has held at least 20 meetings since last September with representatives of the municipal government and water cooperative, among others. The Municipality of Vallegrande has also recently initiated its water fund. In the previous progress report we mentioned the demonstrated interest from both the municipality and water cooperative in working with us to develop a PES scheme, which would be for the Palmarito-Tacazos watershed. Since September Natura has held seven meetings to develop support for a new PES initiative to support the sustainable management of this watershed. Among the key results of these meetings, the Montes Claros Water Cooperative of the Vallegrande municipality created a tripartite water fund, similar to those already in existence in the municipalities of Mairana, Pampagrande and Comarapa (and now Samaipata), and specified a contribution of nearly \$8600 from the cooperative. Another two meetings have also been held in the municipality of Moro Moro to develop the PES fund there, which will focus on water and climate change adaptation in the Moro Moro watershed.

In relation to the other municipalities, we should note that after contracting a lawyer to develop a governance model for the reserve, Natura's projects that financing for the reserve is likely to come from a number of sources. PES (carbon, water, tourism, entry fees) is one of these, but there are plans to establish a trust fund as well and the park administration will also have a unit dedicated to capturing funds through donations, loans, and agreements with the different levels of government. Consequently, while Natura is keen to develop schemes in areas where there is opportunity, we are conscious of the fact that PES may not be the appropriate financing tool for every municipality and that for the reserve to be sustainable in the long-term we need to be sensitive to local issues and tailor solutions accordingly. In the second semester of 2009, Natura will seek to consolidate the progress made in Samaipata and Vallegrande and will continue to meet with other Río Grande municipalities to develop PES initiatives where appropriate or consider alternative conservation options.

Activity 2.3: Finalize design of payments system, so downstream users are ready to indemnify landowners and fund PA operating costs.

In the case of Samaipata, a 10-year tripartite agreement to establish an environmental services fund for a number of sub-watersheds in the municipality has already been signed. The members of the water cooperative are to vote shortly on the percentage increase to their monthly water bill, to be used for the conservation of their watershed via the fund. Natura field staff are beginning the process of designing appropriate payment packages, as well as a delivery and monitoring system. In relation to Vallegrande, Natura, the municipal government and the water cooperative are nearing the end of the process to develop a tripartite agreement. By the end of 2009 Natura expects to have some type of conservation agreement in place in three other municipalities (Pucará, Postrevalle, and Moro Moro) and will be holding a series of meetings with local actors to ensure we meet this goal.

Objective 3: Develop business plan for large-scale “payments for environmental services” initiative to serve as a model for Bolivia and internationally

Activity 3.1: Develop business plan that identifies income sources for the reserve, and prioritizes their development

In the previous progress report we mentioned that we had hired two people to identify income sources for the reserve and to develop a business plan. To date we have a draft business plan which identifies as an opportunity the concept of private-public partnerships to conserve specific forest areas. The proposal has already been presented to a number of successful private enterprises in Santa Cruz de la Sierra, and has attracted the attention of the five-star Los Tajibos Hotel as well as the main daily newspaper El Deber. The Los Tajibos initiative is more advanced: Los Tajibos is a hotel which has always manifested an interest in expanding their commitment to the social, economic and environmental development of the country. In this context, it has joined a strategic private-public alliance with Fundación Natura, the Municipality of Buena Vista, the Más Árboles Foundation of Spain, and the Aquiles community to create the Los Tajibos Forest. An agreement has been signed and the hotel will encourage each of its guests to cooperate with the initiative by planting a tree or promoting activities whereby people buy new trees or adopt existing ones to construct the 44 hectare Los Tajibos Forest. Through the conservation and plantation of trees, the hotel will mitigate its contribution to global warming and be on track to be the first carbon neutral company in Santa Cruz. While the original agreement with Los Tajibos specified the Charanguero and Citanos microwatersheds of the Río Grande-Valles Cruceños Reserve, rather than the final area chosen to the north of the Amboró National Park, we are nevertheless excited about this development and sure that as a pilot project with media interest it will lead to similar new initiatives in the Cruceño Valleys area.

Activity 3.2: Identify tourist attractions, and design a payments system by which management authorities can receive benefits from tourism.

From the 75 tourist sites selected at the time of Natura's last report, two sites in particular have been prioritized for further development: the Charanguero and Citanos microwatersheds mentioned above. The model of PES being developed with Los Tajibos would involve ecotourism development and is the model we would like to apply to these two sites to generate income for local actors involved in the conservation of the reserve. We are currently canvassing potential environmental service buyers from the private sector in Santa Cruz and elsewhere.

Activity 3.3: Publish documents presenting lessons and a 'business-planning' manual for developing PES initiatives.

In July 2008 we published *Payments for Watershed Services: The Bellagio Conversations*, edited by Nigel Asquith and Sven Wunder, which shared lessons learned from practical experiences of PES implementation from around the globe. The publication, which was published in Spanish in February 2009, covers issues such as the role of law and policy, the level of investigation required, transaction costs, the "bundling" of environmental services, how to stimulate service users to pay, poverty reduction, how to balance efficiency and fairness, and the scale of PES schemes.

Conclusion

The planning process for the new Río Grande-Valles Cruceños protected area has had some important advances in the past year, particularly since our last progress report. Basic hydrological, socio-economic and zoning reports have been completed and four large workshops have been held with ample participation from local stakeholders. The management plan, while not advancing as fast as we would have liked, is nearing completion, but most importantly, it has received full support from the municipalities as a result of the participative development process. Also a result of the workshops and municipality-specific meetings, Samaipata has signed a 10-year tripartite PES agreement, and Vallegrande is well on the way to finalizing its own agreement. In addition, we have a governance model for the reserve which is supported by local actors and the Santa Cruz Departmental Government. Two priority areas have been identified for ecotourism development, which should become a source of income for local communities; and we are confident that the international alliance to create the "Los Tajibos Forest" will provide an important public-private conservation model which should lead to similar initiatives in the Río Grande-Valles Cruceños Reserve. Finally, we have published and widely distributed "Payments for Watershed Services: the Bellagio Conversations", which recipients assure us has been very useful to them in considering the opportunities and limitations of payments for environmental services as a tool to conserve critical ecosystems and improve local livelihoods. For the remaining half of 2009, we will be keen to build on the progress made during the past year in working towards a reserve that is both environmentally and financially sustainable.

Financial report August 1st 2008 - July 31st 2009

Innovation 101: Approved Budget and Expenditure August 1st 2008-July 31st 2009

ITEM	Approved budget	Expenditure to date	Balance
Executive Director	2722	2596	126
Science Director	3000	1770	1230
Economist	5500	1811	3689
Biologist	1500	1207	293
Consultant (PES)	2350	604	1746
Consultant (Tourism)	2500	2035	465
Community Technician	400	472	-72
Municipal Technicians (other consultants)	6000	3742	2258
Per diems	3650	742	2908
Vehicle Maintenance	4500	4941	-441
Equipment for biological surveys	2750	1027	1723
Compensation Funds	6000	6244	-244
Meetings	5000	1083	3917
TOTAL DIRECT COSTS	45872	28274	17598
Administrative Costs (9%)	4128	1770	2358
TOTAL	50000	30044	19956