

CEPF FINAL PROJECT COMPLETION REPORT

I. BASIC DATA

Organization Legal Name: CARE International in Tanzania

Project Title (as stated in the grant agreement): *Improving Rewards for Environmental Stewards in Equitable Payment for Watershed Service Scheme*

Implementation Partners for this Project: World Wide Fund for Nature (WWF)

Project Dates (as stated in the grant agreement): July 1, 2008 - June 30, 2009

Date of Report (month/year): July 2009

II. OPENING REMARKS

Provide any opening remarks that may assist in the review of this report.

This project on Improving Reward for Environmental Stewards in Equitable Payment for Watershed Services Scheme was designed mainly to provide support to the ongoing Equitable Payment for Watershed Services programme (EPWS) to complement key components of capacity building and awareness creation to both sellers (Kibungo Juu communities) and buyers (water user companies). The main objective was to enhance the local communities' understanding of the business part of EPWS, expectations from the buyer and ultimately instigate their buy in to better adopt the land use change practices, which will consequently help improve quality and quantity of water as well as the livelihood conditions of the community. With buyers perspectives their engagement to the programme was seen essential as an important pillar in any PES scheme to provide financial incentive for environmental stewards (the community) through entering into legal binding contracts between the two parties. In order to arrive there, this project had invested into conducting a series of capacity building workshops and consultations to both, the seller communities and the buyers to bring them on the same page for their effective participation / engagement into the programme.

III. ACHIEVEMENT OF PROJECT PURPOSE

Project Purpose: *Improved benefits (financial returns) of the rural communities participating in the equitable payment for watershed services program around Uluguru mountains to influence land use change and reduce their vulnerability to food related shocks.*

Planned vs. Actual Performance

| Indicator | Actual at Completion |
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| Purpose-level: | |

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| <p>1. At least 750 farmers adopts improved land use practices as advised by the project by the end of year 1</p> | <p>Since the implementation has just begun a total of 10 training sessions on tree nursery preparations and planting (including agro-forestry and reforestation) and excavations of terraces (Fanya Juu/Chini and bench terraces) were conducted to facilitate farmers to apply and improve their land use practices. Four (4) Demonstration plots were established and about 450 farmers have signed and started practicing improved land management techniques in their farms. These techniques include agro-forestry, reforestation, fanya juu and bench terraces. Progress is encouraging however the adoption process is slower given the delayed startup of field implementation for year 1. Adoption rate is expected to increase significantly in year 2 of planting.</p> |
| <p>2. At least 10 new buyers reached and 2 completed process to subscribe to the program.</p> | <p>The process of searching for new buyers is on going as reaching buyers is very challenging. During this period, the project continued to strengthen the relationship and commitment shown by Coca Cola K Ltd and DAWASCO. Moreover, the project has reached one more buyer namely as Tanzania Brewery Limited (TBL) who also indicated intent to subscribe to the EPWS initiatives implemented in Kibungo Juu. As we move on, the project will handover this function to the Intermediary Group (IG).</p> |
| <p>3. At least 150 households say that they have improved or expect to improve agricultural yield with surplus after one year of intervention.</p> | <p>Up to mid July 2009 about 450 farmers have adopted improved land use practices and others are still joining the process of improving their land use practices. The improvement includes application of manure to improve soil fertility which was lost due to soil erosion in the Ulugurus. These farmers expect to increase their yield by more than 80%.</p> |

Describe the success of the project in terms of achieving its intended impact objective and performance indicators.

During year one of project implementation about 450 farmers have improved land use practices by engaging in agro-forestry practices, afforestation, reforestation, fanya juu and bench terraces. Farmers have shown positive attitude towards joining these interventions. However, experiences elsewhere on use of fanya juu and bench terraces have shown that there is no much increase in productivity for year 1 but with significant improvement in soil and water conservation. This is as well expected for the Kibungo Juu site. To ensure that productivity is augmented, the project has promoted various other techniques to increase soil productivity to include burying of grasses or plant residues which will decompose and add nutrients to the soil. The project also facilitates planting of leguminous crops in combination with other food crops and application of biome manure (see the the photo).



During this period of implementation, buyers (i.e. Coca Cola KLtd and DAWASCO) were influenced more to commit the payment to farmers as per the signed MoU with the project. By the closure of this project component, DAWASCO had already disbursed the fund amounting USD 5,600 to CARE Tanzania to be paid to farmers based on adoption of various technologies applied by respective farmers. This is a critical step for now and the future in ensuring that more buyers provide support to farmers to implement sustainable land management practices within the Ruvu catchment area. This has been possible due to the fact that the buyers were further informed through awareness raising activity regarding project development, progress and need for sustaining the activity by subscribing to it and accordingly commit payment based on technologies adopted and size of intervention area by various farmers.

Were there any unexpected impacts (positive or negative)?

It is yet very early to explain about the unexpected impacts of this program given a fairly shorter period of implementation. However, acceptance of the Ministry of Water to work with CARE in developing regulations supporting EPWS as provided by the new Water law is expected to have a significant positive impact on enforcing the payment for water shed service scheme in Tanzania. This was not expected to happen fairly soon.

Establishment of the new CARE Conservation Agriculture project on the other side of the EPWS site will have significant contribution in changing the land-use pattern of the community within the Ruvu catchment. This is an area where ¹Mvuha river originates

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| IV. PROJECT OUTPUTS |
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Project Outputs:

Planned vs. Actual Performance

| Indicator | Actual at Completion |
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| <p>Output 1: Capacity building and participation: Increased capacity of the seller community to actively engage into the financial transaction dialogues and to directly enter into new contract/agreements on their own.</p> | |
| <p><i>1.1. At least 2 new contracts developed incorporating demands from the seller community</i></p> | <p>- a total of 25 leader representatives from 4 village councils were trained on the basics, implications and importance of making contracts with buyers. Also, about 18 farmer representatives who are not leaders were also engaged in the exercise.</p> <p>- 2 contracts between buyers, through CARE, and sellers (4 villages) which state clearly terms and condition of payments were developed for disbursing the money from buyers. By the report period, one contract had already been honored by DAWASCO.</p> |
| <p><i>1.2. High quality of participation of the sellers enabling them to influence decisions in their favour</i></p> | <p>- 9 Seller Group discussions, involving 50 participants were conducted to discuss about the perceptions and priorities of the seller community in the EPWS mechanism. During the group</p> |

¹ Mvuha river is one of the 4 major tributaries joining together with Mfizigo river to form the main Ruvu river.

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| | <p>discussions, transaction and opportunity costs were discussed and sellers were able to provide average costs which are now used for determining distribution of money to farmers. Also, utilisation and management of money was discussed to ensure that the money from buyers is wisely used for enhancing livelihood improvement in the communities and ensuring high participation to improve appropriate land management practices.</p> <p>- Capacity building training on gender mainstreaming emphasizing women sellers' active participation in the programme was conducted engaging 50 women, with an average of 12 women per village. The idea was to sensitize many women to be able to engage with various programme activities for their benefits. This has instigated a significant departure forward as currently the majority of female community members participate in various activities including decision making meetings on appropriate techniques to apply.</p> <p>-Furthermore, a total of 48 local communities members, involving leaders and ordinary citizens, men and women were trained on conflict resolution, good governance, policies and laws governing natural resources management. This was aimed at awareness creation and building self confidence on implementing various techniques in the villages. This training was facilitated by an experienced environmental lawyer.</p> |
| <p><i>1.3. 12 community representatives/ leaders (men and women) at least 2 from each village actively and confidently participating into dialogues</i></p> | <p>- A total of eight (8) community representatives (1 man and 1 woman from each of 4 villages) were identified and involved in the training on negotiation skills. This was important for building local capacities for further negotiations, especially with anticipated imminent emergence of new buyers as well as preparing for exit.</p> |
| <p>Output 2: Learning and market making: Through shared learning, enhanced knowledge, understanding and engagement of private sector (downstream buyers) subscribing to the compensation mechanism with upland seller community</p> | <p>-Conducted Livelihood assessment and identify Lukenge village for inclusion in the programme</p> |
| <p><i>2.1. At least 10 potential buyers reached and having participated in one or more Meeting/capacity building events.</i></p> | <p>- Buyers profile developed during the feasibility study was reviewed and agreed on the buyers to approach for inclusion into the program.</p> <p>- One potential buyers (i.e. TBL) was reached and provided with EPWS business case. This was made to present</p> |

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| | <p>the EPWS mechanism and to persuade them subscribe to the program.</p> <p>- During the implementation of this project 2 buyers (DAWASCO and Coca Cola Kwanza Ltd) participated in capacity building workshop conducted in Dar es Salaam in June 2009. Also, they were involved in various consultations for ensuring establishment of EPWS mechanism is successful</p> |
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| <p>2.2. At least 4 business cases developed, negotiated and submitted to the buyers</p> | <p>- One business case was developed, negotiated and submitted to TBL.</p> |
| <p>2.3. Learning generated from the process documented and shared widely to at least 3 Ministries, 5 buyers and 8 non government and learning institutions to influence decision in a large scale</p> | <p>- Process for documenting the lessons learned started through reviewing the information and through the discussion with the target community. Printing out of the final document will be done at the beginning of CY 2010.</p> <p>- Information sharing forum was organized and attended by representatives from the Ministries of (Agriculture, Water, Land), 2 buyers (Coca cola and DAWASCO), ICRAF, Sokoine University of Agriculture (SUA) and the University of Dar es salaam (UDSM)</p> |

Describe the success of the project in terms of delivering the intended outputs.

The project has successfully conducted 4 capacity building sessions to seller communities to increase their participation in the programme initiatives such as dialogues with the buyers, decision making on technologies to apply as well as exchange of information with learning institutions and government ministries. Eight community representatives were actively engaged in the dialogues and later on the program monitoring processes which motivated many farmers to engage in the programme activities. The high quality of contributions made by participating farmers and the challenges they pose in the discussion is an indication that they are aware of the programme and their capacity has improved significantly to know their duties as well as their responsibilities in the development of EPWS mechanism.

On the other hand, the project has successfully worked with DAWASCO and Coca Cola Kwanza Ltd to pay the compensation as stipulated in the contract. The project prepared invoices based on actual cost of interventions which were submitted to both buyers. By the closure of the project, DAWASCO had already paid the amount due to the community while Coke had already assured of their cooperation on the matter.

Were any outputs unrealized? If so, how has this affected the overall impact of the project?

No

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| V. SAFEGUARD POLICY ASSESSMENTS |
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Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.

The project has conducted specific sessions with communities on policies and laws related to natural resources to include Water, Land, Forestry and Environment. These policies guide the implementation of the programme and have great implications if not clearly stated to the communities. The programme saw that it is important to create awareness of local communities on the policies and laws which govern their land use practices including the management of natural resources. It was also important as to updates of any new laws and/or legislations since they do change with time. For example, water law of 2009 which was passed on by parliament and signed by president in June 2009. Moreover, sources and ways to solve resource use conflicts were discussed and analyzed with local communities to avoid any potential conflicts during implementation of the project.

VI. LESSONS LEARNED FROM THE PROJECT

Describe any lessons learned during the various phases of the project. Consider lessons both for future projects, as well as for CEPF's future performance.

- It is very important to consider training women along with men in various initiatives to ensure gender balance for communities participating in the EPWS programme. Empowering women is critical since they are often the most vulnerable group in the society; hence the possibility of accessing rights due to them is often diminished. However, once they are sensitized to get into the process, they become quite active and capable of taking major responsibilities. This has been evidenced within the EPWS scheme. Initially, women were trained on policies, governance, and gender mainstreaming and in conflict resolution. Later, the farmers groups that were formed for implementing the various recommended technologies did actually engage both women and men. Given the increased confidence as a result of this exposure, we have realized that women have been able to take some critical roles in their groups. For example, in each village there is a group of contact persons who have been identified during class room and practical trainings in all villages. These contact persons will undergo various training to become local extension expert. Indeed 6 women have been selected as contact persons at this early stage of sensitization.
- Introduction of a new technology is possible, however carefulness is required to insure that there is sufficient understanding and awareness creation to the community on the significance of new interventions and of the need to secure their engagement upfront. Indeed, strategic entry point should be identified and utilized. One key strategy this programme applied was to start with those community members who were willing to try to adopt the technology. This is because; these community members (the farmers) have specific reasons to reject such technologies advocated for. For example the EPWS scheme recommended use of Fanya Juu and Bench terraces, as part of major techniques recommended for soil and water conservation on the site. These techniques have had a historical background which instigated local communities to hate and reject to implement them in their areas. Those who tried to introduced them did actually face serious difficulties to implement. The history indicates that that during the colonial period one person, late John Mahenge, was shot and dead by colonial leaders due to his resistance to construct them. This incidence created a benchmark for people to completely reject the intervention for several decades from 1950s. However, with effective awareness and lobbying to local communities (farmers), communities have actually changed their mindsets; bench terraces have smoothly been adopted and applied by farmers within the project area at Kibungo Juu. This is because the project has managed to clear out all their doubts and hence providing high level of cooperation in implementing these technologies. It is actually seen that the adoption rate of these technologies has been even higher than expected.
- It is easier to influence policy decisions for new interventions once an evidence-based successful model has been created and linked to advocacy packages. The EPWS program had

started without a clear statutory framework supporting its existence. However, the logical introduction of the program as guided by feasibility assessment, adaptive management and advocacy have successfully managed to influence high level policy decisions whereby a new Water Act No. 11 of 2009 has categorically mentioned water-PES as one mechanism for collecting revenues to support the stewards of environmental services to sustain catchment flows. Along the same lines, policy meetings have agreed that regulations supporting this new legislation will be developed based on the lessons and experiences from the EPWS program.

Project Design Process: (aspects of the project design that contributed to its success)

The aspect of the project design that contributed to its success is through promoting shared learning, capacity building and awareness creation to sellers, buyers and other stakeholders. EPWS is the first programme of water-PES to be implemented in Tanzania and many people are not aware of how PES schemes operate. The design of this project was therefore done timely to complement the bigger EPWS project to enhance the understanding of relevant practitioners, buyers, sellers and policy makers so that the system could be supported, scaled up and replicated in other parts of the country.

Project Execution: (aspects of the project execution that contributed to its success)

Aspect of project execution that contributed to its success is participatory approach which was implemented to bring realized achievements. Consultations with key actors at communities, buyers' and operational level within the government were made to define and agree on responsibilities and roles around the project plans and activities; this has accorded room for people to participate and contribute their ideas and support.

VII. ADDITIONAL FUNDING

Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.

| Donor | Type of Funding* | Amount | Notes |
|-----------------|-------------------------|---------------|--|
| Howard G Buffet | B | \$1,622,000 | This fund supports the hillside Conservation Agriculture (CA) program on the South Uluguru mountains within the Eastern Arc. The project addresses the livelihood security for small holder men and women farmers through adoption and scaling up of sustainable conservation agriculture practices which will eventually improve soil and water conservation. The CA project is implemented on the other side of the mountain which is the main source of Mvuha river which joins the mfizigo sub-catchment under EPWS. |
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***Additional funding should be reported using the following categories:**

- A** Project co-financing (Other donors contribute to the direct costs of this CEPF project)
- B** Complementary funding (Other donors contribute to partner organizations that are working on a project linked with this CEPF project)
- C** Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF project.)
- D** Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)

Provide details of whether this project will continue in the future and if so, how any additional funding already secured or fundraising plans will help ensure its sustainability.

This project is designed such that it would not demand bigger external funding after its closure. Operational activities will be made through a lead by the government body – Wami Ruvu Basin Authority – with the guidance from the Intermediary Group (IG) which has been established and already functioning. Operational costs will be met through securing part of the compensation fund from buyers. Given the presence of the new water law and the development of the new regulations (which the parent EPWS project will be part of) PES will be obligatory for all water users, hence ensuring sustainable flow of fund to manage the scheme.

VIII. ADDITIONAL COMMENTS AND RECOMMENDATIONS

The project was designed for the short period of time where by more awareness creation is needed to motivate buyers to finance the environmental services provided by local communities to ensure more communities are engaged in the programme since the main EPWS works with small catchments which will take much time to realize the long term impacts.

VIII. INFORMATION SHARING

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned and results. One way we do this is by making programmatic project documents available on our Web site, www.cepf.net, and by marketing these in our newsletter and other communications.

These documents are accessed frequently by other CEPF grantees, potential partners, and the wider conservation community.

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