



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

Project Ref No	22-011
Project Title	Conserving biodiversity by improving farming practices and livelihoods in Hoima
Country(ies)	Uganda
Lead Organisation	Wildlife Conservation Society
Collaborator(s)	The Chimpanzee Trust (CT), Jane Goodall Institute (JGI), CLUSA
Project Leader	Miguel Leal
Report date and number (e.g., HYR3)	31 October 2015; HYR1
Project website/Twitter/Blog/Instagram etc	n/a
Funder (DFID/Defra)	DFID

1. Outline progress over the last 6 months (April – September) 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).

During the first six months of the project, WCS and partners implemented project activities planned under *Outputs 1, 2, and 3* in six of the 13 parishes; WCS also started with activities under *output 4* which were planned for the 2nd half of the first year. During this period, WCS has also drafted sub-agreements with CT, JGI, conservation farming consultants and Village Enterprise (VE).

Output 1: Project benefits in return for forest and wetland conservation clearly understood and agreed upon by the PFOs and formalized in a conservation contract

Planned activities were:

1.1. WCS, CT and JGI review existing conservation contracts and develop a contract model appropriate to the context of the project

CT and JGI shared with WCS their experience in getting PFOs committed to conserve their forest. JGI has been providing benefits linked to forest conservation since 2008 and had never used conservation contracts, and so far most PFOs still conserve their forest. CT had a contract in place for their Payment of Ecosystem Services study carried out between 2010 and 2013. The feedback then from the PFOs was that the conditions were too restrictive considering the payment and the increased risk of being unable to deal with emergencies if not allowed to cut down and sell a tree for quick money. Despite this initial hurdle, and the fact that with the end of the study and experimental payments stopped, most PFOs are still conserving their forest, receiving only some small scale support from CT for livelihood activities. Based on past experience, the partners decided it would be more productive to start with lower commitments and have long-term benefits in place as planned under Darwin.

1.2 WCS, CT and JGI organise two meetings with PFOs grouped at parish level to introduce and explain the conservation contract and incorporate their input and feedback until an agreed final version has been reached

Based on our meetings with PFOs, it was clear they wanted a long term commitment from project partners before committing themselves. WCS needs to respect the rules and regulations for REDD+ project including Free, Prior and Informed Consent (FPIC). Therefore, if

PFOs need more time to contemplate their long term commitment to the larger 30 year REDD+ project that this 3 year Darwin project contributes to, WCS must respect that. However, we are being proactive and have devised a different strategy to facilitate PFOs' consent through incremental steps, starting with mutual pledge and ending with a formal contract. This has been demonstrated to be effective with other projects, such as WCS's own Community Markets for Conservation (COMACO) in Zambia. This process will occur in parallel with demonstration activities that will allow PFOs to witness the benefits of the project. We have already deployed this approach in two of the parishes, setting up the demonstration activities with matching funding, and in the following 6 months the other parishes will follow. PFOs responded positively and we believe that we will remain on track to reach the target of indicator 1; 90% of the PFOs sign a conservation contract by the end of year 2.

1.3 WCS, CT and JGI conduct meetings to sign contract between farmers and the NARCG partners

This activity has been postponed as the approach has been changed, but we aim to begin having pledges signed by farmers/PFOs over the next 6 months.

1.5 WCS carries out a biodiversity base and endline survey to measure species occurrences and updates its existing land use maps

WCS has postponed the baseline biodiversity survey because ideally the baseline should happen during the wet season when chimp nest decay rates allow a better estimate of group size and consequently group density. Normally, the wet season starts in early September. Unfortunately, the rains only started in mid-October because of the el Nino effect. Therefore, the biodiversity team started later as well. The later start of the baseline for the chimp assessment is not an issue as deforestation on PFO land has become minimal in anticipation of the Darwin project.

Output 2: Rural financial services established in all the 13 parishes providing capital for sustainable forest friendly and agricultural enterprises

Planned activities were:

2.1 Village Enterprise trains CT and JGI field-based staff in setting up micro-financing institutes and trains them in record keeping and business skills

WCS had planned that Village Enterprise would train field-based CT and JGI staff in setting up Business Saving Groups (BSGs), who would then train their PFOs. However, due to organisational changes in VE and CT, we were forced to change our implementation approach. Now, VE will directly train the Community Based Monitors who will set up the BSGs. This is more cost-effective and allows better quality control by VE through direct backstopping services.

2.2 Trained CT and JGI staff organise a meeting and explain to PFOs about the benefits of micro-financing institutes and to whom they provide access to capital

Due to the change in approach, WCS organized meetings to introduce and explain to PFOs the benefit of group saving and loans associations as a group-based, self-managed micro-financing institution. The response and feedback of the PFOs was positive and, under VE's guidance, parish-level PFO Associations (PFOAs) will be organized into Business Saving Groups over the next six months.

2.3 Trained CT and JGI staff organises training for PFOs and trains them in principle of microcredits, governance and business skills

Community Based Monitors, trained by VE, are scheduled to begin training of PFOs next quarter.

Output 3: PFO households linked to profitable markets and agribusinesses to sell their farming surplus to and increase their income

Planned activities were:

3.1 WCS identifies potential agribusiness partners in the region and other opportunities in Kampala

WCS did a desk review of agricultural partners available in Uganda in the Agribusiness Directory Uganda published by aBi Trust and explored online platforms for agribusiness in Uganda, such as agriprofocus Uganda (<http://agriprofocus.com/uganda>). WCS focused on

agribusiness partners located in or near Hoima with some social business aspect. Potential agribusinesses identified besides the already identified Joseph initiative (<http://www.josephinitiativeltld.com>) for maize were Yield Uganda (<http://www.yielduganda.com>) for various crops and ESCO for cocoa. WCS will continue this activity as planned for year 2.

3.2 WCS starts negotiating production contracts with participating agribusiness partners

From our discussions with the above mentioned companies and other agribusinesses, the general response is that they are in principle interested in collaborating when the crops are of good quality and produced regularly at a commercial scale. This means that they will be interested in purchasing crops at a premium price only once Private Forest Owner Associations (PFOAs) produce between 3 and 5 tonnes. Consequently, trading with agricultural partners will gradually evolve and scale up from one-off sales to regular delivery of produce under contract over the project's lifetime.

Activities 3.3 – 3.6 Production Contracts

These activities have been postponed until most PFOAs at the parish level have adopted conservation farming and agreed which cash crop to grow and WCS has secured the cooperation of the above mentioned companies.

Output 4: Agricultural intensification through conservation farming to stop the need to clear new forests and wetlands

Activities advanced (originally scheduled for Q3):

4.1 CLUSA trains 13 field-based staff from CT and JGI in conservation farming and assigns each staff member to a parish

Considering the need to launch demonstration activities WCS advanced this activity related to conservation farming. Due to changes within CLUSA (explained under 2a) and in order to stay within budget, WCS contracted directly two of CLUSA's former field officers who will train 30 Community Based Monitors instead of training first CT and JGI field staff.

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.

Unexpected developments:

CLUSA had a change in leadership and funding sources. As a result, it was decided that providing training in conservation farming is no longer one of their core activities in Uganda. WCS has responded by directly contracting two conservation farming field officers from CLUSA to implement a Train-the-Trainers approach. These two officers have started training 30 Community Based Monitors in conservation farming. WCS is ahead on project activities under Output 4 and remains within budget by contracting directly the two officers.

Village Enterprise (VE) has also undergone a change in leadership, which delayed activities under Output 2. However, the sub-agreement with them should be concluded within the next few weeks now that the new country director has been appointed. Some project activities related to setting up the Business Saving Groups have thus been delayed but we do not anticipate this to have an impact on the overall implementation progress for the first year.

The unexpected developments mentioned above under Output 1 are not a reason for concern as WCS and partners have observed that most PFOs have been conserving their forest over the last two years in anticipation of the benefits planned under Darwin. Similarly Community Based Monitors have continued to monitor the PFOs' forests. We know from the previous PES study that non-monetary benefits provided by NARCG members are valued by the PFOs. They understand that, in clearing their forests, they risk being barred from access to benefits under future initiatives.

Despite the unexpected developments related to changes within the collaborating partner organizations and initial response from the PFOs to the conservation contract, WCS does not

consider these changes as *notable problems*. WCS is confident that the indicator 1 of Output 1 will be attainable and that 90% of the PFOs will sign the conservation contract by the end of year 2. WCS is also confident that indicator 2 of Output 2 will be reached and 900 PFOs will have adopted conservation farming by year 2.

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, but I inquired when a formal change request should be submitted
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Formal change request submitted:	No
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Received confirmation of change acceptance	Yes/No
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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.

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**