

# **TNC Interim Report to the USAID Mexico Mission**

## **Projects Implemented under the LWA Watershed Strategy**

Presented to:  
USAID/Mexico Environment Program  
April 30, 2004

by  
*The Nature Conservancy*

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# NATIONAL ENABLING ENVIRONMENT FOR MEXICO

Mid-term report for USAID/Mexico

Environment program

April 30, 2004

## GENERAL REPORT

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### 1. Introduction.

This project main objective is to implement national level activities to improve management and conservation of natural resources in targeted watersheds. This is a six year initiative whose main goals are:

- Identify and support issues related to USAID site based activities
- Identify and support national issues to promote conservation and economic development in areas of high biodiversity.
- Promote watershed management as an integrative theme that supports conservation and natural resource management.
- Provide technical assistance and training to GoM agencies, particularly to help implement management plans at sites of high biodiversity.

This project contemplates the participatory work of four non governmental organizations besides The Nature Conservancy: World Wildlife Fund, Conservation International, Fondo Mexicano para la conservación de la naturaleza and Pronatura.

The initiative incorporates key themes that include:

- Strengthening capacities for policy implementation
- Support the decentralization of federal government authority and increase implementation at the state and local level
- Creation of public-private alliances that link national and local institutions
- Involvement of communities in the planning and management of natural resources and watersheds.

### 1. Highlights

#### IR1. Enhanced National Enabling Environment

- Creation of national core working group
- Identification of Strategic lines of work
- Strategic Support and capacity building activities

### 2. Detail of key accomplishments

#### Creation of national core working group

Activity 1. An agreement to appoint TNC as chair of the NEEM initiative for the first year of the project.

Activity 2. A partners meeting took place in December 2003. The core working group was established

Activity 3. Four full day meetings of the core group have taken place.

Activity 4. Governmental agencies (SEMARNAT) were invited as members of the core group. Minister of the environment appointed the chief of the coordinating unit for international affairs as part of the core team.

Activity 5. An internal policies and procedures manual was developed for the core group. Manual reviewed and approved.

#### Identification of Strategic lines of work

Activity 1. A list of potential topic for establishing lines of work was circulated among the core working team. Three key themes were established:

- Strengthening of civil society.
- Monitoring of natural resources.
- Payment of environmental services.

#### Strategic support and capacity building activities

Activity 1. Core group divided in pairs. Each pair to prepare terms of reference for supporting targeted activities. A selected group of potential sub recipient organizations was defined.

Activity 2. Terms of reference reviewed by the core group and published.

Six TOR defined, they include the following:

- a) Strengthening of social society and practitioners: “Profesionalización de recursos humanos en el manejo y conservación de cuencas”
- b) Development of a national network of environmental professionals: “Servicios de consultoría para el diseño y desarrollo de la Red Mexicana para la Conservación de la Naturaleza”
- c) Development of a national sustainable fire management curricula: “Consultoría par la realización del diseño de un sistema de profesionalización de recursos humanos en manejo ecológico del fuego e incendios”
- d) Evaluation of the national forest environmental service payment fund (Fondo Forestal): “Análisis del Programa de Pago por Servicios Ambientales Hidrológicos 2003 – 2004 y Propuesta de Líneas para su Implementación en el 2005”
- e) Development and implementation of a national natural resource indicator system: “Desarrollo e instrumentación de un sistema de indicadores armonizado para el monitoreo de recursos naturales estratégicos para la conservación en México”

Activity 3. Potential sub recipients and / or contractors were invited to submit proposals. Submission date established.

Next steps include revision and assign contractors or grantees of support.

#### **4. Environmental compliance**

Watershed management is a cross cutting key theme in all support and activities of the NEEM initiative, from the strengthening and establishment of training opportunities of conservation professionals to defining common indicators for monitoring success in the

USAID LWA watershed conservation programs. No negative impacts on the environment are expected from the nature of this consultative work.

**5. Gender compliance**

No activities up to now on the NEEM initiative include gender issues or compliance. This will be addressed at the next NEEM meeting.

**6. Other donors that support the program and governmental links**

The Mexican environmental ministry (SEMARNAT) has been invited to participate in the core working group. A top executive of the ministry has been appointed to join the group.

**7. Partners**

Partnership and team work have been key in the NEEM initiative work. The six non governmental organizations have developed an efficient decision-making group. An internal operations manual is in place.

**8. Potential Indicators**

The list of national indicators will be the product of the contract that will begin shortly, with the review and final consensus by all the NEEM partners.

# **Report for AID-LWA: Chiapas Coastal Watersheds- El Triunfo and La Encrucijada**

Prepared by The Nature Conservancy  
April 30, 2004

## ***General Report***

### **1. Introduction**

The urgency to protect the forests and life-giving watersheds of Chiapas has been made ever clearer in recent years as fires and floods have threatened the livelihoods of poor rural populations, damaged infrastructure, and diminished the quality and quantity of water resources. To safeguard Chiapas' remarkable diversity and provide the basis for long term economic growth, The Nature Conservancy and its partners have been working for years with two key sites the El Triunfo and La Encrucijada Biosphere Reserves and the watersheds that connect them, to promote a challenging and innovative agenda. Conservation International will join this project team to bring critical skills and capabilities and to ensure an integrated approach. The proposed program is intended to **1) protect and restore the key ecological values of the region which support the region's economy, 2) transform productive activities to enhance local livelihoods and mitigate threats, and 3) create the capacity for long term results.**

USAID financial support is for 5 years. This first year key objectives are:

- To establish the institutional administrative mechanisms and basis for collaboration between the partners to carry out the Project. This includes subawards and agreements, along with the establishment of collaborative policies and procedures between the 5 principal organizations and stakeholders.
- To further develop project design, and to identify and establish the logistical and operational mechanisms needed to carry out the project's actions and strategies
- To complete the studies and diagnostics necessary to design the complementary strategies that contribute to the improvement of the environmental, social and economic conditions in watersheds.
- To identify the necessary tools for assessment and monitoring of the Project. This includes the definition of base lines, the design a watershed scorecard and the measures of success plan (MoS)
- To continue and fortify the actions that are being executed by the partners, while launching broader sustainable development and conservation programs. Many of these activities are focused on productive projects such as cattle, coffee, palma shate, forest

management, organizational process in communities, and the actions that will incorporate gender focus.

This report covers the project activities from October 1, 2003 to March 31, 2004.

## **2. Highlights**

- Agreements signed and financial resources assigned to our principal partners: IHNE, CONANP and Pronatura.
- Even though the subgrantee awards were not completed until after Q2 had begun, due to the administrative procedures to start up the project, the long work history of the partners in the region permitted us to begin activities on time.
- Project staff hired for El Triunfo, La Encrucijada and Coapa watershed
- Thematic working groups formed to give continuity to the different objectives of the Project. One of these thematic groups is the communication group, which has already finished the first communications strategy for Pijijiapan municipality.
- Strategic actions such as the prevention of forest fires have begun.
- A project induction workshop was held, with the participation of all the technical people of 5 partner organizations involved in the Project. The main objective of the workshop was to identify the role of every organization in the project, to recognize the importance of this role and of the activities they do.
- Great collaboration exists between the principal partners of the Project: TNC, CI, IHNE, CONANP and Pronatura; with the support of other organizations as SEMARNAT, CONAFOR, FIRCO, SSA (Secretaría de Salubridad y Asistencia), Pijijiapan municipality, PROFEPA, CNA, ECOSUR, etc.
- Linkages with other efforts and government initiatives launched by SEMARNAT, CNA, FIRCO and the municipalities. .

Essentially the first quarter was focused on administrative issues between USAID and TNC, leading to the approval of the work plan in early January 2004. The second quarter achievements have impact in the 3 IRs of USAID strategy and establish the basis to ensure effective implementation of the Project for the next 4 years.

## **3. Details of accomplishments.**

*SO: Improved management and conservation of natural resources in targeted watersheds.*

- CONANP has agreed with Ecobiosfera, S.C that Ecobiosfera will contract the personnel needed to carryout SO 1.3 activities to address forest fires in the project area.
- The working group for the community watershed plan held meetings where the criteria for selecting the next watershed was agreed upon. (SO 2.1. activity)

*IR 1: Enhanced national enabling environment for integrated water management.*

- Two tasks of IR 1.1.1. were completed. Satellites images of 3 different periods (1998, 2000 and 2002) were obtained. The area's orthophotographic analysis has started.

*IR2: Increased use of environmentally sound and economically viable practices and technologies.*

- The thematic work groups have prepared the job descriptions of the consultants to contract for the IR2.3.1 and IR2.4.1. activities: to carry out feasibility assessment for current and potential non traditional activities in river and forest, addressing profitability, marketing opportunities and sustainability and to document current best practices in productive activities (location, type, extension, impact, cost benefit, etc) in critical areas.

*IR3: Community role in natural resource management strengthened.*

- IR3.1.1 activity has started. CONANP-El Triunfo has already contracted a full time person who is advising a Palma shate producer's organization. .
- The IR 3.2.1. activity has had great advances. CONANP has been working with 2 pilot communities in Coapa watershed and today these communities have their own community plans that were presented to the governmental authorities to assure agency support. The experience in both communities will be helpful for replication in other pilot communities. LWA resources will be useful to maintain the implementation of these plans, and continue to develop new plans in new communities.

*Program monitoring and management.*

- Periodic meetings have been celebrated between technical staff of partner organizations to define the design the monitoring and evaluation of the Project, the Measure of success plan and a shared information system.
- John Waud from Rochester Institute of technology programmed his sabbatical in Chiapas and made a site visit, where he will advise the monitoring plan design and the measure of success of the Project. We expect Dr. Waud, if funded, will be available on site as of this summer.
- Providing linkages to this Project and with funding from Packard Foundation, a person was hired to design the first version of a watershed scorecard and a watershed management model, through participatory workshops.
- Due to the track record of collaborative efforts in the region and the accumulative experience of partners, there are substantial advances in defining the collaborative process for the implementation of 5 year project.
- In March a field visit from USAID was completed. The main objective of this visit was to increase the understanding of the USAID regarding the ecological values and importance of the region, and the conservation threats in the project area. This visit was very important because TNC and its partners consider that these linkages

with all the stakeholders and their active participation in the project development as being critical to its success.

#### Challenges foreseen:

- This project involves many diverse activities and stakeholders. This will require permanent attention to institutional relations, to maintaining open, clear and efficient communications, and frequent discussions and consensus decision making to ensure Project success.

#### Course of action for the following months is:

- TNC is in the process of hiring the Chiapas Coastal Watershed Coordinator, who will be in charge of providing full time project management.
- Advance the majority of the activities established in FY04 workplan: such as activity SO 1.3. related to forest fires prevention; in activity IR. 2.2.1. CONANP will strengthen the monitoring activities for the Huixtla river. The communications strategy in IR 3.3. will be launched next July
- Link with IMAC (the Mexican Conservation Learning Network) to facilitate the establishment of the collaborative mechanisms between the partner organizations in the Project, as well as strengthening the Sierra and Costa de Chiapas Conservation Coalition and/or Pigua committee, by carrying out a training needs assessment and developing a training plan proposal.
- To continue with the design of a watershed management plan and a watershed scorecard.
- To design a shared information system between the Project partners. This will be linked with the evaluation and monitoring system, measures of success, and the scorecard.

#### **4. Environmental and gender compliance**

The project objectives intends to create positives changes in the use and exploitation of natural resources that help maintain the watershed, its biodiversity and other natural resources. If specific activities will include field investments that may have unintended secondary impacts, an environmental impact analysis will be prepared. The project team is open to guidance on this point.

Related to gender compliances, CONANP El Triunfo and La Encrucijada have been working with a organization called "Woman and the Environment". They have held some training workshops and they are planning to review the El Triunfo management program with to eye to addressing gender issues. This is an excellent alliance to assist all the project partners understanding how to incorporate this agenda in their programs.

#### **5. Other donors involved / links to GOM agencies**

As mentioned before, some activities were started due to the fact that they are part of the continuity of actions and strategies in the region for many years. This includes the participation of many partners, donors and executing organizations. The complementary

funds are from IHNE (State Government ), CONANP (Federal government), municipalities, and for TNC, from private funds such as the Packard foundation and USAID funds (PiP).

The proposal submitted to Gonzalo Rio Arronte is pending and currently, activities are starting for a migratory bird conservation proposal (with resources from Migratory Birds Act of North America from NFWS). Both of these latter funding sources are through the FONCET, AC.(El Triunfo Conservation Trust fund )

Other than IHNE and CONANP as the main beneficiaries of the project, the municipalities, Pijijiapan principally, have a very important role in supporting the watershed management actions in their municipalities. CNA, FIRCO, CONAFOR, SSA, and SEMARNAT also play a very important role in coordinating and leveraging project actions with their own institutional agenda..

## **6. Partners role**

IHNE is the LWA main administrator and CONANP (through agreements with IHNE) is the main executor of the majority of project actions. Pronatura Chiapas is responsible for the activities related to forest management and communications strategy.

CI is focused on the coffee commercialization. It participates in monitoring activities, fire evaluation and information systems. FONCET will collaborate in the activities related to tools for long term financing.

**Work Plan Update (F: Finished, OT: On-time, D: Delayed, C: Cancelled, R: Rescheduled)**

Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
<b>2004 All Activities for Chiapas Coastal Watersheds: Subaward for IHNE</b>								
<b>SO: Improved management and conservation of natural resources in targeted watersheds</b>								
Objective Chiapas Coastal Watershed SO.1: Design and implement an integrated fire management plan	LOP Expected Results: Fire management plan is being implement and contributing to fire incidence reduction in key high risk communities and contiguous forest areas. Verifier: # of hectares under improved fire management plan; Documentation of the ecological fire management plan implementation and evaluation of changes in fire incidences in key high risk areas..							
Activity Chiapas Coastal Watershed SO.1.1: Promote the understanding of the ecological functions of fire in the different ecological and productive systems of the project area, providing recommendations for fire management. Target audience is the practitioners and decision makers in IHNE, CONANP (El Triunfo and La Encrucijada) and key actors in CONAFOR. TNC and FMCN experts will provide technical assistance.	Year 1 Verifier: Memorandums from workshops and expert training visits	Q2-Q3		X				
Activity Chiapas Coastal Watershed SO.1.2: Develop and apply an integrated fire management program for the protected areas. The program will define focal sites, communities and demonstration windows which will be monitored for reduced incidence of fire, and participation of community groups. CONANP will design the plan with the participation of CONAFOR, SDR (Secretaria de Desarrollo Rural), and IHNE.	Year 1 Verifier: Plan documented and agreed to	Q2-Q5		X				
Activity Chiapas Coastal Watershed SO.1.3: Assist the combat of forest fires through training of agency and community fire brigades	Year 1 Verifier: Number of fire brigades trained.	Q2-Q3		X				Ecobiosfera s.c. will be contracted to train 4 brigades. (2 for El Triunfo and 2 for La Encrucijada)

Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
Objective Chiapas Coastal Watershed SO.2: Develop participatory watershed plans for 1-2 subwatersheds, building understanding and capacity to address natural resource issues at an appropriate scale.	LOP Expected Results: One to two watershed plans have been completed and adopted □ A strong alliance for the Chiapas Coastal Watersheds brings together public and private institutions, and local stakeholders, under a joint agenda Verifiers: # of hectares under watershed plan; watershed plan is being used to to direct investments and plans for the CNA watershed councils							
Activity Chiapas Coastal Watershed SO.2.1: Identify the next watersheds to be considered in the replication of experiences generated in the Coapa watershed. This identification will be made based on established critical areas.	Year 1 Verifier: Watersheds selected, and next steps identified.	Q2-Q3		X				Initial working group has met to define criteria

**IR1: Enhanced national enabling environment for natural resource management.**

Objective Chiapas Coastal Watershed IR 1.1: Support efforts by protected area managers to conserve the key conservation targets in their sites, strengthening the legal and technical capabilities of CONANP	LOP Expected Results: Forest cover is maintained or enhanced for target areas. Verifier: Review of satellite images every 3 years beginning at the baseline of selected critical areas.							
Activity Chiapas Coastal Watershed IR 1.1.1: Based on a diagnostic of land tenure and forest cover, analyze and define with appropriate detail the critical properties in good conservation status where protection action need focus	Year 1 Verifier: Land tenure and baseline forest cover documented; critical areas in good conservation statuses identified	Q2-Q5		X				Information of satellites images were compiled, these images are from the site from 1998 to 2002 and 2002 year Coapa watershed orthophotographics.
Objective Chiapas Coastal Watershed IR 1.2: Working with CONANP and INHE, ensure financial and institutional mechanisms that sustain long term success in the region	LOP Expected Results: Ensure financial and institutional mechanisms that sustain long term success in the region.							
Activity Chiapas Coastal Watershed IR 1.2.1: Working with CONANP and INHE, establish a linkage with the El Triunfo Conservation Fund (FONCET), established with the support of USAID, as an important ally to develop local mechanisms for long	Year 1 Verifier: Document with diagnostic and next steps lined out for developing local mechanisms of long term	Q2-Q5		X				

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Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
term financing of watershed areas	financing							
Activity Chiapas Coastal Watershed IR. 1.2.2.: Strengthen capacity in IHNE, CONANP and the FONCET for business plan development for site projects. This action was identify as a priority within the site conservation plan for the Chiapas Coastal watershed site to create the basic capacities necessary for long term financing mechanisms.	Year 1 verifier: Memorandum from training in financial and business plan for staff of 7 organizations; two drafts plans completed.	Q2-Q3		X				The person who will help with the business plan is contacted.
Activity Chiapas Coastal Watershed IR. 1.2.3.: Working with CONANP, IHNE, CNA and CONAFOR, design and implement stakeholder strategy and policy agenda to ensure the application of laws and support for the project.	Year 1 verifier: Policy agenda focused on water, training provided to 20 people. Re: policy issues	Q2-Q3		X				
Objective Chiapas Coastal Watershed IR 1.3: Provide training, technical assistance and exchange opportunities to local practitioners, decision makers and community members to support the goals of the project and decentralization processes of the Mexican public sector	LOP Expected Results: Provide training, technical assistance and exchange opportunities to local practitioners, decision makers and community members to support the goals of the project and decentralization processes of the Mexican public sector.							
Activity Chiapas Coastal Watershed IR 1.3.1: With the help of an expert in institutional strengthening, carry out a diagnostic analysis of the capacities of the CP, each of its members and the community committees and other key organizations, in order to identify strengths and weaknesses, and to generate recommendations for the creation of more useful capacities for the project.	Year 1 Verifier: Memorandum of workshop results	Q3		X				
Activity Chiapas Coastal Watershed IR 1.3.2: Based on the recommendations generated in the diagnostic analysis in 3.4.2, prepare and implement a plan for project management capacities.	Year 1 Verifier: Capacity building plan document, and coordinador installed with minimum operating needs	Q3-Q5		X				
<b>IR2: Increased use of environmentally sound and economically viable practices and technologies.</b>								
Objective Chiapas Coastal Watershed IR 2.1: Through the introduction of best management practices for soil and water conservation, protect and restore select corridors and riparian zones together with communities, property owners and local authorities.	LOP Expected Results: Forest cover in critical areas are maintained, guaranteeing the connectivity between primary habitat. Restoration processes are underway in the Rio Coapa and other riparian corridor. Verifier: Map of vegetative cover baseline, with critical zones identified.. Review satellite images every 3 years							

Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
	to measure change in critical zones.							
Activity Chiapas Coastal Watershed IR 2.1.1: Define priority restoration areas by assessing maximum flood patterns, high erodability zones, sedimentation and deforestation patterns, current vegetation cover, land tenure	Year 1 Verifier: Map of vegetation cover baseline with critical restoration zones identified.	Q2-Q5		X				
Objective Chiapas Coastal Watershed IR 2.2: Promote the establishment of water treatment mechanisms in key areas	LOP Expected Results: Additional investment is available for waste water treatment processes for major urban areas; water quality is being monitored. Verificador: a) Final report of water quality monitoring b) evidence of other agency support of waste treatment							
Activity Chiapas Coastal Watershed IR 2.2.1: Document water quality information regarding water quality in key municipal towns of Pijijapan and in the area of sugar industry discharge of Hubtla. Stream flows will be monitored at three points- upper, middle and lower watershed.	Year 1 Verifier: Report of baseline water quality for key areas	Q2-Q4		X				The Coapa watershed protocol of hydrological monitoring and the baseline information about the hydro monitoring for Hubtla's sugar mill are in operation.
Objective Chiapas Coastal Watershed IR 2.3: Diversify economic alternatives and incentives such as ecotourism, non traditional forest products and environmental services payments	LOP Expected Results: Alternative income projects are consolidated, have identified markets, and are generating economic benefits. Shate palm, cycadas, ecotourism projects are consolidated and generating resources for producers. Feasibility for additional alternative projects are determined, and where appropriate, pilot projects have been launched in focal sites							
Activity Chiapas Coastal Watershed IR 2.3.1: Using expert advice, carry out feasibility assessments for current and potential non-traditional activities in rivers and forests, addressing profitability, marketing opportunities and sustainability.	Year 1 Verifier: Feasibility study documented.	Q3-Q5		X				Term of references of consultant almost ready
Objective Chiapas Coastal Watershed IR 2.4: Promote alternative agricultural and cattle management practices that incorporate threat abatement strategies, and increase incomes. New crops, such as cacao, will be assessed and pilot tested.	LOP Expected Results: Feasibility of new crops and products are determined; pilot projects underway. □							

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Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
	Agricultural and cattle areas have reduced their impact to natural resources, and best practices have been adopted to enhance productivity 1. No burn and controlled burn practices are adopted. 2. Use of agrichemicals is diminished. 3. Soil management practices are adopted. 4. Crops are diversified 5. Productivity is enhanced.							
Activity Chiapas Coastal Watershed IR 2.4.1: Document current best practices in productive activities (location, type, extension, impact, cost-benefit, etc.) in critical areas. Carry out select diagnostics to assess ability to incorporate new crops such as cacao.	Year 1 Verifier: Consultants reports with diagnostics of current best practices and feasibility of new crops (Rainforest Alliance is a potential contractor) This documentation will be enhanced with the cartographic information from Activity 1.1.1	Q3-Q5		X				Term of references of consultant almost ready
Objective Chiapas Coastal Watershed 2.5: Promote forest management practices with economic and environmental sustainability criteria.	LOP Expected Results: Forest management practices with economic and environmental sustainability criteria are promoted. Verifier: at least one community project is underway and monitoring sustainability factors.							
Activity Chiapas Coastal Watershed 2.5.1: Assessment of forestry potential in critical areas, and identification of focal sites. The assessment will include a review of applicable legislation and regulations, identification of species of special interest, and recommendations for project implementation.	Year 1 Verifier: Study completed as described	Q2-Q5		x				Forest activities were carried out with minimum resources because the Pronatura subaward was not signed until March.
<b>IR3: Community role in natural resource management strengthened.</b>								
Objective Chiapas Coastal Watershed IR 3.1: Diversify economic alternatives and incentives such as non traditional forest products,								

Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
ecotourism, and environmental services payments (this objective contributes to IR2 as well)								
Activity Chiapas Coastal Watershed IR 3.1.1: Strengthen capacities of producers for palma shate, cycada in focal sites in the buffer zone of El Triunfo (pacific slope) by providing technical assistance in the formation of legal productive organizations.	Year 1 Verifier: Producers have identified steps to officially form and register their organizations, and to improve organizational capacities.	Q2-Q5		X				<p>The objective of the activity is to fortify the new rural organization "Palma Camedor and ornamental species Directive Fund" that represents 1500 producers of the Sierra Madre de Chiapas Pacific slope. The development in this year will be oriented to a formulation of intern regulations, the measure of a marketing study and the training to community promoters.</p> <p>An agreement with 117 producers to produce Palma camedor in 25 has is established.</p> <p>A diagnostic of a "Palma" producer regional organization was made to establish an annual workplan.</p>
Objective Chiapas Coastal Watershed IR 3.2: Promote alternative agricultural and cattle management practices that incorporate threat abatement strategies, and increase incomes. New crops, such as cacao, will be assessed and pilot tested. (this objective contributes to IR2 as well.)								
Activity Chiapas Coastal Watershed IR 3.2.1: In multidisciplinary, multi-institutional team, work with communities in focal sites to prepare and implement community plans which incorporate soil management practices, no burn or controlled burn techniques, crop and pasture rotations, and diversification of crops and livestock. Where possible, these community plans will be linked to participatory watershed plans. The planning teams have a preliminary list of pilot communities, which will be ratified and amplified according to the workshop to detail critical areas and demonstration windows (Activity IR 4.1.1)	Year 1 Verifier: Number of community planning sessions, number of plans completed	Q2-Q4		X				<p>A community plan was designed and presented in 2 communities. Agreements with silvo pastoriles producers were made. We negotiated funds to improve the genetic stock of cattle and improve forage.</p>
Objective Chiapas Coastal Watershed 3.3.: Promote a culture of respect and value for natural resources using a focal theme: water as a source of social well-being and environmental services	LOP Expected Results: Urban populations in municipal seats are informed regarding the importance of natural resource management, and support							

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Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
	conservation initiatives □ Local communities in critical areas are participating actively in implementation Verifiers: TBD through strategy in year 1							
Activity Chiapas Coastal Watershed 3.3.1: Design and apply a communication strategy for focal sites directed at target groups to support the valuation of natural resources. This activity will include design of an evaluation and monitoring program to document impacts of the communication program. Target groups will be linked to the critical areas determined in Activity 4.1.1, but will include both urban and rural audiences. Communication strategy will be vetted with project partners (CONANP, IHNE, TNC, CI) as well as other key institutional actors (municipios, CONAFOR, etc.)	Year 1 Verifier: Communication strategy design completed with evaluation and monitoring plan. Implementation verifiers will be set in the design	Q2-Q5		x				Pjjiapan is defined as a pilot site to implement the communications strategy to promote water valuation This activity is matched by the Packard Foundation. The design is ready. The strategy will be launched in July.
<b>Program Monitoring and Management</b>								
Objective Chiapas Coastal Watershed IR 4.1: Establish mechanisms for coordination and execution of the project that promote the correct application of strategies.	LOP Expected Results: The goals and expected results of the project are reached supported by clear definition of roles, commitments and responsibilities of the committee coordinator, and the individual institutions participating in the process.							
Activity Chiapas Coastal Watershed IR 4.1.2: Design and implement the policies, rules and procedures that govern the project development. (Coordination, administrative and operation mechanism). This includes finding a consensus of the level of participation, responsibilities, time and institutional support of the planning group.	Year 1 Verifier: Workshop memorandums, and finalized 'team charter'	Q2-Q5		X				2 meetings were held, one had as a main objective the induction to the project and the second one, review and integration of reports. The last one was attended by administrative staff to compare the technical advances vs expenses.
Objective Chiapas Coastal Watershed IR 4.2: Design and implement an evaluation program to achieve the success of the project. All activities under 4.2 will be carried out jointly between CI, TNC, CONANP, IHNE, Pronatura and other project partners through the Pigua Committee	LOP Expected Results: A informational platform exists (with clear rules for use and management) which is being used by project participants to make decisions which orient, correct and improve programmed activities. A method for evaluation has been adapted to the needs of the							

Goal/Strategy/Activity	Expected Results	Period of Execution	F	OT	D	C	R	COMMENTS
	project.							
Activity Chiapas Coastal Watershed IR 4.2.1: Design a system for project monitoring, evaluation and adaptive management, considering biodiversity health indication, threat abatement, as well as capacity strengthening.	Year 1 Verifier: Finalized document which identified key indicators to be used for project monitoring and evaluation. Draft monitoring plan.	Q3-Q5		X				Monitoring working group meetings to establish the policies and procedures in monitoring and evaluation issues and to determine the job description for the monitoring coordinator.
Activity Chiapas Coastal Watershed IR 4.2.3: Establish a mechanism for the concentration, management and diffusion of project information by key actors by means of formal agreements.	Year 1 Verifier: Agreements outlining management, use and exchange of data	Q3-Q5		X				Meetings holds by geographic information system managers of all organizations involved in the project to establish collaboration agreements.
Activity Chiapas Coastal Watershed IR 4.2.8: Develop a draft scorecard for watershed management with project partners for review and enrichment by LWA partners.	Draft scorecard completed and reviewed by LWA partners	Q2-4		X				Draft is complete. In revision by partners.

### *Indicator Report*

As noted above, the project team has identified the development of joint monitoring and evaluation as a key component of the project. The site conservation planning methodology that TNC uses assists teams develop biodiversity health and threat information indicators. Baseline information is being collected for vegetation cover, water quality and other biodiversity indicators. A technical team will be developing these Measures of Success this year.

Other social and economic indicators will be developed. For example, for the communications strategy, baseline information regarding community members' attitudes towards water resources has been taken. Additional socioeconomic information can be gathered once the suite of indicators is determined.

With complimentary funds (PiP and Packard), a person was hired to begin the watershed management model design and the watershed scorecard; by the moment, the first scorecard draft is ready and 2 workshops will take place to design the watershed management model, review and consensus the scorecard. We hope that this tool will provide a useful framework for USAID and other LWA partners.

*2005*

# **Report for AID-LWA Gulf of Mexico Assessments**

Prepared by The Nature Conservancy and project partners,  
Pronatura Peninsula de Yucatan and Pronatura Veracruz  
April 30, 2004

## ***General Report***

### **Introduction**

The main products of this project will be site conservation plans for Pantanos de Centla and Laguna de Terminos protected areas, and the Coatzacoalcos Watershed using the Conservancy's planning methodologies and tools. The products include:

- descriptions of conservation targets or elements that are critical to both the maintenance of the biological diversity of the greater watershed and improvement of human living conditions;
- identification of key indicators of the health of those ecosystems and the social-economic consequences of improved natural resource management;
- assessment of threats to the integrity of those natural and human systems;
- specific strategies needed to reduce threats, maintain or improve target health, and strengthen conservation capacities in the region.

The final outcome of these assessment will inform the decisions of USAID, the Government of Mexico (GOM) and other conservation partners, for accurate targeting of actions and investments over the following years to ensure the application of best management practices. The Conservancy and partner Pronatura Peninsula de Yucatan (PPY) will be working closely with the CONANP Reserve Directors to ensure that the plan for Pantanos de Centla/Laguna de Terminos meets their needs for the Reserve Management Plan. In addition, the Conservancy and partner Pronatura Veracruz will be working with critical stakeholders in Coatzacoalcos throughout the process to ensure the applicability of the results. Assessment documents will be ready by December 2004. This assessment will directly contribute the number of hectares under improved management (USAID SO) and contribute to IR's 1 and 3 of the USAID strategy.

This report describes activities and results for the period October 2003- April 2004.

### **Highlights**

#### ***IR 1: Enhanced national enabling environment for integrated water management***

- For the Pantanos de Centla process, completed hiring of project staff and initial contacts with key actors, namely CONANP.
- Development of specific work plan for assessment with detailed activities and timeline with CONANP directors in Centla and Laguna de Terminos.
- Pronatura Veracruz hired a process coordinator, a technical (hidrobiologist) assistant and a GIS expert are currently being hired.
- Coordination and training begun with Pronatura Veracruz staff, to get acquainted with the planning methodology and define the assessment process with detailed activities and timeline. Initial data compiled.

- Training on planning methodologies provided to the core team.

### **Details of accomplishments**

For the first 2 quarters of the project, these were the planned activities according to the project work plan:

*IR 1: Enhanced national enabling environment for integrated water management*

Activity 1: Assemble multi-disciplinary, multi-institutional coordinating and site based teams. Hire assessment coordinator.

Activity 2: Review available information, sweep for additional analysis done for the project areas.

Activity 3: Review methodological alternatives and determine optimum approach for the watershed, taking into account characteristics, available information and local actors. Develop action steps, timeline, roles and responsibilities.

### Achievements during project implementation have been:

For Pantanos de Centla-Laguna de Terminos:

- Following workplan approval by USAID in early January 2004, the partner sub-grantee award was finalized and initial disbursements to support activities have been made.
- Hiring of conservation planner and assessment coordinator by partner Pronatura Peninsula de Yucatan (PPY) as of early April;
- Reconnaissance visit to site by project team (TNC and PPY staff) to meet with CONANP Protected Areas (PA) directors: Juan Carlos Romero (Pantanos de Centla) and Humberto Reyes (Laguna de Terminos). During that visit a revision of concrete products to be delivered at the end of project were revised and agreed upon with CONANP directors. The proposed assessment methodology was also revised to agree on inputs required and process/timeline/actors needs.
- The conservation planner initiated the process of information gathering, including: identification of key participants to invite at different steps of assessment, and identification of existing information, location and mechanisms for accessing it.
- Development of specific work plan, with details of steps, timeline and participants; this work plan was developed by "project staff" (assessment coordinator and 2 TNC México staff), and has been shared with CONANP PA directors for comments.

For the Coatzacoalcos assessment:

- Following work plan approval by USAID in January 2004, the partner has provided subrecipient monitoring documentation and the sub-grantee award was finalized. Initial disbursement is in process.
- Hiring of Coatzacoalcos assessment coordinator by partner Pronatura Veracruz.
- Meeting in Xalapa to learn about the Conservancy's Site Conservation Planning method. Training materials were provided, and communication between Conservancy and Pronatura staff has followed to continue training and to refine a process outline.
- The assessment coordinator initiated the process of information gathering, including: key participants identified; stake holder list prepared; documents and electronic data being gathered and compiled; GIS layers re: CNA limits, Landsat imagery, rivers,

municipalities and localities set up, others in initial phases. Site identification under discussion.

**Challenges foreseen:**

- Availability of key participants will be critical for continuing on track and achieving results on a timely manner.
- For Coatzacoalcos, we have had unforeseen start up delays. While the Conservancy had hired a Program Director for Central Mexico in January, this position is vacant again. Although the Country Program Director is serving as acting director for Central Mexico, these changes resulted in some setbacks. Pronatura Veracruz is currently hiring their last key staff members and by the beginning of May all project staff will be hired or contracted. We feel confident these initial project delays will not affect the final project timeline. The Conservancy's Conservation Planner will provide technical support to ensure project completion.

**Course of action for the following months is:**

- Conclude: training of assessment coordinator and technical planner; gathering of preliminary information; contacting of key participants and establishment of coordinating team; and definition of communication and information sharing protocols (May)
- Assessment process outline – defining roles and responsibilities, as well as workshops, materials and approaches - according to methodology agreed upon by the core planning team (June, July and August)
- Information analysis and document elaboration (September and October)
- Draft assessments revision by key participants (November)
- Final document delivery to key stakeholders (December)

**Environmental and gender compliance**

This project will not cause negative environmental impacts; on the contrary, it is intended to identify actions to improve ambient conditions in the project area through planning and analysis exercises only. Although gender issues are not proposed explicitly in the proposal, this is a theme that will be considered in the participatory processes and the final analytical results. Any methodological support for this analysis is welcome.

**Other donors involved / links to GOM agencies**

For the Pantanos de Centla/Laguna de Terminos assessment, GOM's CONANP is the main beneficiary of this process. Contact has been established with protected areas directors and work is being done in close collaboration and coordination with them. In the Pantanos de Centla/Laguna de Terminos area, this project is linked to another ecological analysis process, also funded by USAID. The "flows to estuaries" process has also started during this past semester, and work at the site will involve other GOM agencies such as CNA, SEMARNAT, and CFE besides CONANP (who is also the main partner).

For the Coatzacoalcos assessment, the proposal to develop the Site assessment for this river basin arises from the results of the Regional plan for the conservation of the Zoque Forest, coordinated by Pronatura and financed by US-AID. These results combined with

their own priorities motivated US-AID, TNC and Pronatura to follow up and increase their perspective to the whole basin. Pronatura and its partners identified that besides the Zoque forest as the main forested area, there were other probable important sites that could complement the Zoque viability through corridors or additional sites in the watershed.

The Conservation Ecological Partnership Fund and the Mexican Fund for the Conservation of Nature have also determined the Selva Zoque, upper part of the Coatzacoalcos basin, as a priority site. Mexican Government agencies, such as CONANP, INE and CONAFOR are exploring possibilities for investing and establishing conservation programs in the area, thus all the information generated through this project will be crucial in directing those investments. These agencies, with the addition of CNA, will be engaged in the planning process.

#### **Partners role**

For the Pantanos de Centla/Laguna de Terminos assessment, Partner Pronatura Peninsula de Yucatan (PPY) is responsible for hiring the assessment coordinator and conservation planner. The conservation planner is responsible for keeping communication with CONANP officials and other key participants; gathering required information; and finalize work plan elaboration, including PA directors recommendations. The assessment coordinator will work with TNC to coordinate processes and lessons learned between the Coatzacoalcos watershed and Laguna de Terminos/Pantanos de Centla process, and between the assessment and the freshwater flows to estuaries project.

For the Coatzacoalcos assessment, Partner Pronatura Veracruz is responsible for hiring the assessment coordinator, the technical planner and the GIS specialist. With support from the technical planner and the GIS specialist, the assessment coordinator is responsible for maintaining communication with key participants; gathering required information; documenting planning information and finalizing work plan elaboration.



Work Plan Update (F: Finished, OT: On-time, D: Delayed, C: Cancelled, R: Rescheduled)

GULF OF MEXICO ASSESSMENT Objective/Activity	Period of Execution	Expected Results	F	OT	D	C	R	Comments
<b>2004 All Activities for Gulf of Mexico</b>								
Objective 1: Establish the conditions necessary to carry out effective assessments which build upon existing capacities and add value to local stakeholder and institutions	Q1-2	Multi-institutional and multi-disciplinary team is formed and properly trained, with clear objectives.						In general, the basic conditions are now set. Pantanos de Centla and Laguna de Terminos has satisfactorily completed this phase. Coatzacoalcos near completion.
Activity 1.01: Assemble multi-disciplinary, multi-institutional project teams- both the coordinating teams, and site based teams. Hire assessment coordinator.	Q1	Assessment coordinator and Pronatura site based planners are hired. Initial coordination meetings held between Pronatura teams, and for Centla between site based team, and Freshwater Flow technical team		X (Centla)	X (Coatz.)			Centla: Site planner and Assessment coordinator hired Coatzacoalcos: PVer site assessment coordinator hired; PVer hydrobiologist and GIS operator will be hired by May 1 <sup>st</sup> .; PPY-PVer coordination team established.
Activity 1.02: Sweep for existing information, and preliminary expert and stakeholder analysis together with site based teams, and key partners (e.g. CONANP)	Q1-2	Existing data is compiled for each watershed and specific site based information. Initial stakeholder list is compiled in coordination with principal partners (CONANP)		X				Centla: Beginning of information gathering, mainly key participants identified and existing information location Coatzacoalcos: Main key participants identified; # Stake holder list prepared; documental and electronic data began to be gathered and compiled; GIS layers about: CNA limits, Landsat imagery, rivers, municipalities and localities set up, others in initial phases. Preliminary ideas for site identification under discussion.
Activity 1.03: Finalize with site based teams the expected outcomes that most closely fit the needs of local stakeholders; define methodological approaches and integration, data sharing, responsibilities	Q2	Together with key stakeholders and actors (CONANP), a consensus based understanding of expected outcomes of assessments, role of key actors, scale of assessment, harmonized methodologies and calendars between site base teams and Freshwater Flow team (for Centla)		X (Centla)	X (Coatz.)			Centla: Work plan developed and shared with CONANP Coatzacoalcos: Initial discussions on expected results, methodology, and scale are ongoing between TNC and Pronatura Veracruz staff. This still need to be vetted and finalized, with the input of local stakeholders. It is expected that this will be completed in May.
Activity 1.04: Train site based teams and key stakeholders in Site Conservation Planning methodology	Q2	Core team is trained in planning methodology and has clear understanding of the process		X				Pronatura Veracruz, PPY, and CONANP-Laguna de Terminos, Pantanos de Centla, familiarized with TNC's site assessment methodology. Last staff to be integrated in Pronatura Veracruz will be provided with tools.
Objective 2: Together with local stakeholders, develop a participatory plan that integrates all the existing information about the environmental conditions (conservation targets), analyzes threats, and develops consensus based strategies and best practices to guide conservation and restoration activities, in the medium- and long-term, of the Uxpanapa-Coatzacoalcos watershed.	Q3-5	Completed site conservation plan						

GULF OF MEXICO ASSESSMENT Objective/Activity	Period of Executi on	Expected Results	F	OT	D	C	R	Comments
Activity 2.01: Determine targets and assess viability of these targets through workshops and consultations with local experts.. Integrate basic cartographic information.	Q 3	Conservation targets are identified, and viability is documented						
Activity 2.02: Identify threats and opportunities for sustainable development and conservation through local workshops with watershed committee members and local stakeholders	Q 3	A set of threats to conservation and opportunities for mitigation and for sustainable development						
Activity 2.03: Validate strategies with local and regional representatives. Validate and refine GIS information generated through workshops.	Q 4	Final set of prioritized strategies reviewed by regional and local representatives						
Activity 2.04: Analyze current capacity, enabling factors and barriers for plan implementation	Q4	Capacity scorecard, or Watershed Scorecard, completed						
Activity 2.05: Finalize consensus assessment and recommendations ; write up results for distribution with key stakeholders.	Q5	Final document and cartographic information has been shared with key actors						
Activity 2.06: Provide training, technical assistance and analytical support for the Uxpanan-Coatzacoalco watershed assessment	Q1-5	Project team has sufficient training and on-site support to ensure a high quality and timely outcome		X				TNC Conservation Planner supporting Pronatura Veracruz team.
<b>Objective 3: Together with local stakeholders, develop a plan for the watershed assessment. The plan will include information about the watershed conditions (conservation threats, water quality, land use, etc.), current capacity, enabling factors and barriers for plan implementation, and the identification of additional watershed level assessment needs. The plan will be done in coordination with the Freshwater Flow team.</b>	Q3	<b>Completed the assessment plan for the Finca de Cerro Laguna de Lanchas etc.</b>						
Activity 3.01: Determine targets and assess viability of these targets through workshops and consultations with local experts. This workshop will be done in coordination with the Freshwater Flow team to ensure the integration of hydrologic flow information, and the identification of additional watershed level assessment needs	Q 3	Conservation targets are identified, and viability is documented						
Activity 3.02: Identify threats and opportunities for sustainable development and conservation through local workshops with key actors and local stakeholders	Q 3	A set of threats to conservation and opportunities for mitigation and for sustainable development						
Activity 3.03: Validate strategies with local and regional representatives. Validate and refine GIS information generated through workshop. The validation of information generated and of potential future scenarios will be done with coordination with the Freshwater Flow teams.	Q 4	Final set of prioritized strategies reviewed by regional and local representatives						
Activity 3.04: Analyze current capacities, enabling factors and barriers for plan implementation.	Q4	Capacity scorecard, or Watershed Scorecard completed						

<b>GULF OF MEXICO ASSESSMENT Objective/Activity</b>	<b>Period of Execution</b>	<b>Expected Results</b>	<b>F</b>	<b>OT</b>	<b>D</b>	<b>C</b>	<b>R</b>	<b>Comments</b>
Activity 3.05: Finalize consensus assessment and recommendations ; write up results for distribution with key stakeholders. The results of this document will be used by the CONANP staff as the basis for management plan revisions	Q5	Final document and cartographic information has been shared with key actors						
Activity 3.06: Provide training, technical assistance and analytical support for the Pantanos de Centla-Laguna de Terminos assessment	Q1-5	Project teams and key actors have sufficient training and on-site support to secure a high quality, timely outcome.		X				Assessment coordinator and site planner is being trained by TNC planner
Objective 4: Based on input from both planning processes, capture lessons learned and opportunities for future application of the watershed approach for conservation and sustainable development in these two key watersheds.	Q5	Summary of results describing process, participants, key findings, and lessons learned.						
Activity 4.1: Hold a peer review of plans between project teams, and document lessons learned	Q5	Workshop memorandums						
Activity 4.2: Summarize results of assessments and process for distribution to practitioners	Q5	Briefing document available for distribution						

### ***Potential Indicator Report***

Due to the fact that the assessment has a project timeline of one year only, the indicators for this project are principally output indicators, that is, product based:

- two watershed management plans

We might also use # of people trained, # of institutions represented, and # of community members participating in the process to reflect the level of engagement.

Finally, at the end of the process, with the completed plan that is adopted by the watershed committees, we will be able to report on the # of hectares under improved management.

For the watersheds management plans application, a specific scorecard for watershed will be developed. This scorecard will be adapted from the Triunfo-Encrucijada watershed project. This scorecard considers such as surface in hectares, level and type of management, among other issues.

As an integral part of the Site Conservation Plan to be developed for both sites, a section on monitoring effectiveness will be crafted. Final product of the parallel and complementary project "Flows to estuaries" will provide key additional information for monitoring health of the ecosystems.

# **Report for AID-LWA: La Sepultura Assessment**

Prepared by The Nature Conservancy

April 30, 2004

## ***General Report***

### **Introduction**

Previous conservation and sustainable use investments have created a solid foundation in this highly socially and biologically relevant area, La Sepultura, which provides unique opportunities to consolidate and expand efforts and for sharing lessons learned with other critical watershed sites. The proposed assessment will enable us to build a common agenda for integrated watershed management with Watershed Committee members in two priority watersheds, Lagartero and Zanatenco. Under the leadership of La Sepultura-CONANP and IHNE staff, Watershed Committees will develop a common vision for promoting sustainable resource use, restoration and conservation in each of these watersheds. The planning process for developing the Integrated Watershed Management Plans and implementation of activities will bring together capacities from local, state, and federal government representatives, as well as those from representatives from leading national and international NGOs, researchers, and local community members to improve watershed conditions. The main products of this project will be:

- Two integrated watershed management plans which adequately incorporate socioeconomic information, building on priorities identified in community-based watershed plans. Because the planning method leads to strategies which help maintain or improve the health of natural resources, while addressing critical threats, in addition to promoting productive alternatives, priorities are likely to include restoration, fire management, clean production, capacity building, etc.
- In order to mitigate priority threats and promote compatible economic opportunities, one analysis will identify areas where ecotourism activities could be implemented, and the other study will evaluate an array of economic and productive alternatives taking local social, cultural, economic and environmental conditions into account. Both analyses will be conducted directly with resource users, to increase success opportunities for potential activities. Understanding that sustainable resource use will never become rooted in these watersheds unless local residents take ownership of their watershed and hold themselves accountable for what happens to their natural resources, and productive alternatives are truly feasible - in a cultural, social, economic, and environmental sense - the participatory planning process and the outcomes will enhance community participation in resource management.
- The assessment will also include the design of a concept map which will identify policy steps which need to be addressed to increase support for sustainable alternatives identified in the Integrated Watershed Management Plans.

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The information generated by the end of the assessment will help to define next steps to conserve and improve management of the watershed's natural resources. This project contributes to IRs 1 and 3 to USAID strategy because it promotes the participation and capacity of different governmental sectors and society in the integrated management of these watersheds and it increases the participation of the resource owners and users in this process. Overall, the plans generated will increase the number of hectares under improved management, thereby contributing directly to the Mission's SO.

### **Highlights**

- Due to political will in the watersheds and installed capacity, CONANP and IHNE were able to move ahead in programming key activities with local stakeholders in the region, even before the administrative mechanisms were finalized.
- IHNE has now contracted the key personnel needed for the project, and field staff have the tools needed to carry out the planning process.
- There was great participation on the part of the watershed committees in both Lagartero and Zanatenco watersheds in the Conservation Area Planning training workshops and great commitment shown for preparing the watershed plans. 27 persons in Lagartero and 26 in Zanatenco attended the training workshop.

### **Details of accomplishments**

Essentially, this first quarter was focused on establishing the institutional and administrative procedures for the Project between TNC and USAID. After the workplan was approved by USAID in early January 2004, TNC finalized subawards with IHNE, which paved the way for initial disbursement of funds. IHNE and CONANP defined the collaboration formalities which would apply during the project and IHNE contracted the key personnel needed to carry out the project activities in Quarter 2.

Because of CONANP's history in the region and familiarity through other TNC projects with planning methodologies, the activities in the project were programmed with key stakeholders in the region before the official approval of subawards. This helped to complete Activity 1 : Carry out 4 workshops (2 per watershed) for Watershed Committee members of the Lagartero and Zanatenco watersheds, to provide training in the conservation area planning (CAP) methodology on time.

### **Achievements during project implementation have been:**

**SO Level Results:** Goal 1- Complete 2 integrated watershed plans

*Activity 1.1:* Watershed Committee members of the Zanatenco and Lagartero trained in the CAP methodology and workshops's agendas to design and prepare the watershed management plans are established. These achievements contribute to the IR 1 of USAID's strategy because they create capacities in NGO's and GO's and society in watershed management aspects and promote their participation. During the process, local community members will be further engaged to contribute to IR 3.

**IR3: Goal 2- Complete feasibility studies and plans for compatible economic activities**

**Activity 2.1** Together with the Tourism delegation in Tonalá, we developed an outline of critical steps which will guide us in the process of developing the tourism inventory. This activity is scheduled for 3<sup>rd</sup> Quarter.

**Activity 2.2** To develop the inventory of productive activities, an agreement with UNACH and with the municipalities to develop a collaboration mechanism to make the inventory through the Agronomy school is in process. While this alliance will greatly enhance the quality and buy-in for the final product, this will also require a more extended timeline. We believe that while the work will start in 3<sup>rd</sup> Quarter as planned, it will require additional time to complete and would like to adjust the timeline accordingly.

**Challenges foreseen:**

- Due the great participation of different government sectors, Federal, State and principally municipal, and the both watershed committees, (including different users of watersheds) will be necessary that CONANP and IHNE permit and promote diverse collaboration mechanisms and participation between all sectors. This may however slow the process if unforeseen political urgencies arise.

**Course of action for the following months is:**

- Begin compatible economic activities assessments.
- TNC's assistance to review and advise in PCS methodology
- Planning workshops according to agenda agreed upon.
- IHNE and CONANP meetings to improve collaboration mechanisms
- Improve the collaboration process between CONANP and key stakeholders as: SEMARNAT, CNA, CONAFOR, SDR, SECTUR, UNACH and Pronatura.

**Environmental and gender compliance**

This Project will not cause negative environmental impacts; on the contrary, it is intended to identify actions to improve ambient conditions in watersheds through planning and analysis exercises only. Although gender issues are not proposed explicitly in the proposal, this is a theme that surely will be considered in the participatory processes and the final analytical results. Any methodological support for this analysis is welcome.



**Other donors involved / links to GOM agencies**

Besides CONANP and IHNE that share the Project leadership, in the Project we have active participation from the watershed managers and committees as well as the Tonalá and Arriaga municipal governments. In the training workshops we have also had the participation of other government agencies. The "Secretaria de Turismo" (SECTUR) participates in the ecotourism diagnostic.

The project has matching resources from the Packard Foundation and we are currently under negotiations for a proposal submitted to Gonzalo Río Arronte Foundation. If this

proposal is approved, there will be additional resources to apply to Lagartero watershed management

GOM's CONANP is the main beneficiary of this process. Contact has been established with protected areas directors and work is being done in close collaboration and coordination with them.

**Partners role**

IHNE and CONANP are the local leads for the Project. IHNE is the subgrantee and its responsibility is to provide administrative and financial support, and to provide support in technical aspects related with ecological analysis. CONANP is responsible for the majority of technical issues and the negotiation with other key stakeholders.

**Work Plan Update (F: Finished, OT: On-time, D: Delayed, C: Cancelled, R: Rescheduled)**

Goal/Strategy/Activity	Period of Execution	Expected Results	F	OT	D	C	R	COMMENTS
<b>2004 Subaward for IHNE</b>								
Goal Sepultura 1: Together with local stakeholders, develop two participatory plans that integrate all the existing information about the environmental conditions (conservation targets), analyzes threats, and develops consensus based strategies and best practices to guide conservation and restoration activities, in the medium- and long-term, of two coastal watersheds of the Sepultura Reserve and its area of influence.	Q2-5	Two finished Integral Watershed Management plans (1 per watershed), applying the Site Conservation Plan methodology (PCS9).						
Activity Sepultura 1.1.: Carry out 4 training workshops (2 per watershed) for the watershed committees of the Lagartero and Zanatenco rivers, using PCS methodology.	Q2	The members of the watershed committees for the Lagartero and Zanatenco rivers (30 people) are trained in the PCS methodology.	X					Revision of schedule, proposing 1 training workshop and 5 workshops to develop the plan, (6 workshops by watershed) 27 persons in Lagartero and 26 in Zanatenco attended the training workshop.
Activity Sepultura 1.2.: Carry out 8 workshops (4 per watershed) dealing with the integration of the Lagartero and Zanatenco River watershed site conservation plans.	Q2-Q4	Inputs formulated to integrate the watershed management plans.		X				
Activity Sepultura 1.3.: Integration of the two Watershed Integral Management Plans using the Site Conservation Plan methodology for mountain watersheds, as well as geographic information systems and global positioning systems, for the Lagartero river in the municipality of Arriaga and the Zanatenco river in the municipality of Tonalá Chiapas.	Q2-Q5	2 documents (1 per watershed) with a site conservation plan for each.		X				
Activity 1.4: Provide on- site technical assistance and training to field staff in watershed and site	Q2-Q5	Project teams have sufficient		X				TNC conservation staff have provided tools and methodologies. A field visit is scheduled for Q3

Goal/Strategy/Activity	Period of Execution	Expected Results	F	OT	D	C	R	COMMENTS
conservation planning.		training and technical assistance to ensure high quality plans						
Goal Sepultura 2: Identify and evaluate alternative economic and productive schemes for use and conservation of natural resources, such as alternative tourism, the appraisal and payment of environmental services, processes of certification for sustainable production (organic coffee, holistic cattle management, camedor palm, UMA's, tree plantations, agroforestry systems, responsible fishing, etc) that allow the promotion of sustainable development in the coastal watersheds of the REBISE and its zone of influence.		A diagnostic report, integrating the top results of the workshops and studies, which outlines the opportunities for promoting economic and productive projects.						
Activity Sepultura 2.1.: Hold an inventory workshop and appraisal of a route of sites with current and potential activities related to ecotourism in the mountains and coast of Chiapas that make up the watersheds in the REBISE and its zone of influence, following the methodology of product formation of alternative tourism proposed by SECTUR or another proposal by an external consultant.	Q3	A finished catalogue of potential ecotourism sites for the coastal watersheds of the REBISE and its zone of influence.		X				Together with the Tourism delegation in Tonalá, we developed an outline of critical steps.
Activity Sepultura 2.2.: in coordination with local stakeholders, hold an inventory workshop about sustainable economic and productive alternatives for the Coastal Watersheds of the REBISE and its zone of influence.	Q3	A catalogue of productive economic alternatives for the coastal watersheds of the REBISE and its area of influence, as well as the identification of certification processes for its sustainable application in the medium- and long-term.		x				We are requesting an extension of the period (Q2-Q5).  An agreement with UNACH and with the municipalities to develop a collaboration mechanism to make the inventory through the Agronomy school is in process.
Activity Sepultura 2.3.: In coordination with local	Q3-Q4	The		x				

Goal/Strategy/Activity	Period of Execution	Expected Results	F	OT	D	C	R	COMMENTS
stakeholders, development of a policy agenda for the recognition, appraisal, conservation and payment of environmental services in the coastal watersheds of the REBISE and its zone of influence.		establishment of a critical route for a policy agenda for the recognition, appraisal, conservation and payment of environmental services in the coastal watersheds of the REBISE and its influence zone.						
Activity 2.4 : Provide technical assistance to project staff regarding policy and environmental services payments.	Q3-Q5	Project teams have sufficient training and technical assistance to ensure clear policy agendas		X				

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### ***Indicator Report***

Due to the fact that the assessment has a project timeline of one year only, the indicators for this project are principally output indicators, that is, product based:

- two watershed management plans,
- two compatible economic activities reports
- one policy map.

We might also use # of people trained, # of institutions represented, and # of community members participating in the process to reflect the level of engagement.

Finally, at the end of the process, with the completed plan that is adopted by the watershed committees, we will be able to report on the # of hectares under improved management.

For the watersheds management plans application, a specific scorecard for watershed will be developed. This scorecard will be adapted from the Triunfo-Encrucijada watershed project. This scorecard considers such as surface in hectares, level and type of management, among other issues.



**Financial Narrative: Supplement to Financial Reports for the Period of  
October 1, 2003- March 31, 2004**

		TNC		TNC MATCH		Total
		Direct	Indirect	Direct	Indirect	
	<b>March, 2004</b>					
7812	CHIAPAS	\$ 2,197.92	\$ 549.48	\$ 3,514.11	\$ 878.53	\$ 7,140.04
7813	NEEM	\$ 849.56	\$ 212.39		\$ -	\$ 1,061.95
7814	GOM	\$ 3,311.85	\$ 827.96		\$ -	\$ 4,139.81
7815	LA SEPULT		\$ -		\$ -	\$ -
7816	GOM VERAC		\$ -		\$ -	\$ -
		\$ 6,359.33	\$ 1,589.83	\$ 3,514.11	\$ 878.53	\$ 12,341.80

**Notes:**

- TNC internal reporting procedures to ensure internal review and transaction time for in-country expenditures generally creates a 1-2 month lag before posting to the General Ledger (GL). Therefore, though the expenditures listed above are correct as per the GL through to 31 March, it is probable that at least one-month of in-country expenditures are not yet reflected. As all of the project costs are in-country expenses, this will be a significant effect.
- TNC advances project funds to partners, who then provide financial reports to the Conservancy on a quarterly basis, for the periods of January-March, April-June, July-September, and October-December. Per TNC standard practice, these expenses will not be reflected in the GL until one month after receipt by the Conservancy, and once they have been reviewed by a Grants Specialist to ensure allowability. In effect, the expenses reported by partners in April for the period of January-March will not be posted until May, and therefore will be reported to USAID in the July financial report SF-269. The following table provides detail on what advances have been provided to date:

<b>Subgrantee Awards</b>	<b>Total Award</b>	<b>Cumulative Disbursements</b>
IHNE : Chiapas Coastal Watersheds	219,000	35,797
IHNE : Sepultura	75,000	17,268
Pronatura Chiapas	31,000	10,875
Pronatura Peninsula de Yucatan	72,500	18,125
Pronatura Veracruz	72,500	in process
<b>Total</b>	<b>470,000</b>	<b>82,065</b>