



PRO-POOR REWARDS FOR ENVIRONMENTAL SERVICES IN AFRICA (PRESA)

Stakeholders' meeting: Follow up on rewards for environmental services in Sasumua

Wednesday, November 14, 2012

World Agroforestry Centre (ICRAF) Headquarters, Nairobi – Kenya

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Meeting notes:

Following on a previous stakeholders' dialogue held in February 2011, PRESA convened a follow-up meeting to discuss activities and follow up on progress made on payments/rewards for environmental services in Sasumua.

PRESA works in 7 sites in Africa: 3 sites in Kenya (Sasumua, Upper Tana basin and Nyando and Yala basins), 2 sites in Tanzania (Uluguru and Usambara mountains), 1 site in Albertine Rift, Uganda and 1 site in Fouta Djallon highlands, Guinea. More work has been done in the Sasumua site as compared to the others.

Meeting objectives

1. Updates on the progress of PES advocacy and policy interventions
2. Develop strategies for facilitating knowledge transfer of lessons learnt to other watersheds
3. Discuss the scaling up of PES in knowledge exchange
4. Discuss the way forward of PES in Sasumua

Lessons learned from PRESA work

Sharing on the day's agenda and presentation made on 'Aligning environmental service demand with supply' which demonstrated that the Nairobi City Water and Sewerage Company (NCWSC) can improve their business using a PES approach in sediment reduction. In spite of this their hesitancy has been due to the hefty levies and taxes by multiple organizations that are imposed on them. Also sediment reduction does not their most important priority since they accrue much larger costs in infrastructure, water losses and infrastructure development as compared to sedimentation costs. Communities are willing to engage in PES; and water users are willing to

pay higher tariffs though NCWSC has no mandate for changing the tariffs since there are government restrictions

Following the presentation, the following issues were raised during the discussions:

In question was the appreciation of the water tower problem in the country:

- KENGEN appreciated PES and they are already paying the regional authority for catchment conservation services which have gone into projects that support reduction of sediment loads on dams and prevention of degradation of the catchment. What is required is, to come up with a structure to have more involvement of the many institutions that operating within the watershed.
- Questions need to be raised whether these institutions playing their role in terms of their efficiency and capacity.
- Companies need to see a business case before their investments to motivate them in participating in PES actions
- There is need for advocacy for agreements between communities and companies for PES uptake.
- Organizations that support environmental activities need to create a value chain for communities to reap the benefits from catchment conservation.
- A manual on developing watershed PES schemes in Upper Tana, Kenya was produced and submitted to UNEP though has not yet been released to public
- Previously, policy regarding PES was identified as one of the major obstacles in its uptake; PES did not feature: There have been policy amendments

Knowledge exchange and cross learning and unblocking institutional barriers in PES

- Advocacy is required on PES uptake and there is a need for the establishment of a forum to push for the advocacy of PES. A suggestion was made to possibly link up with the newly institutionalized Water tower agency and coordinate the activities done one on a catchment.
- WRUAs have 3 funding windows: CPC, WDC and WASH programs for dry lands and marginal areas, urban areas and watersheds. So far most WRUAs have qualified for funds with the NRM projects being accessible than the national fund.
- Another opportunity is through CDF-a community development fund which has a long list qualification criteria funded by EU under the Ministry of planning. WWF is developing the capacity building of WRUA funding in partnership with WSTF/WRMA in harmonization of catchment activities.
- There is need for a lobby with WSTF to promote conservation efforts in watersheds since WRUAs are more livelihoods based and by having a possibility of matching funds coming funding organizations to the government objectives. Though concern was raised regarding WRUAs using same activities to raise funds from different donors, thus emphasizing in communication among the organizations operating the same area.

- Uncoordinated funding approach was identified as the main challenge where suggestions were made to create a registry where data on funders and the projects being funded are listed and recommendations made on working together. Therefore, a need assessment has to be conducted to examine the livelihoods, NRM and technical expertise available for farmers in developing a concept; identify farmers and provide unsecured loans for soil and water conservation. Although this approach is associated with risk since credit is unsecured and uncertain, alternative approaches can be explored and test whether they are pro poor and sustainable.

Scaling up and demonstrating effectiveness of PES

- Although Sasumua dam contributes only 20% of the water in Nairobi, the studies conducted have shown that savings would be made in sedimentation reduction. Thus by scaling up, it would result in significant points for implementation in other areas and provide motivation for engagement. Kindaruma dam was given as an example of sedimentation that has resulted in reduction of a half of its volume due to sedimentation which could potentially benefit from such an approach.
- Different companies have environmental concerns that directly affect them and a PES scheme could benefit by seeking options that address their concerns. It was suggested that, it could benefit by approaching it from a CSR point of view which ranks environmental issues and prioritizes the disbursement of funds by putting checks and balances in their priority areas. Thus creating a structure/system where the private sectors can contribute to the environment by having a budget for environmental actions.
- Scaling up and out to other water towers by sharing information, informing policy, creating partnerships and sharing lessons learnt.

Conclusion

Coming from the above discussions, the key message is that in order for institutions to finance a PES scheme for watershed management need to see a business case before their investments to motivate them in participating. There is need for advocacy for agreements between communities and companies for PES uptake and it is important to create a value chain for communities to reap the benefits for catchment conservation.

Other business

- Follow up with KENGEN and explore ways of creating a partnership.
- A site tour of the Sasumua catchment area.
- Clean up of the outdated ISRIC map showing the hotspots in the Sasumua area

ANNEX

Abbreviations

CDF	Community Development Fund
CPC	Community Project Cycle
CSR	Corporate Social Responsibility
EU	European Union
KENGEN	Kenya Electricity Generating Company Limited
NRM	Natural Resource Management
NCWSC	Nairobi City Water and Sewerage Company
PES	Payment for Environmental Services
PRESA	Pro- poor Rewards for Environmental Services in Africa
UNEP	United Nations Environment Programme
WDC	Water Resources Users Association Development Cycle
WRMA	Water Resources Management Authority
WRUA	Water Resources Users Association
WSTF	Water Services Trust Fund

List of Participants

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Photo:



Figure 1: Participants listening to discussions made during the meeting (*Photo: Judith Nzyoka*)